THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (MISS SAROJ KHAPARDE): I lay on the Table a copy each (in English and Hindi) of the following papers:—

(i) Statement giving reasons for the delay in laying the Annual Report and Audited Accounts of the Central Research Institute for Yoga, Delhi, for the year 1986-87, within the stipulated period. [Placed in Library. See No. LT—5669/88]

(ii) Statement giving reasons for the delay in laying the Annual Report and Audited Accounts of the Vishwayatan Yogashram, New Delhi, for the year 1986-87, within the stipulated period. [Placed in Library. See No. LT—5670/88.]

(iii) Statement giving reasons for the delay in laying the Annual Report and Audited Accounts of the Central Council for Research in Yoga and Naturopathy, New Delhi for the year 1986-87, within the stipulated period. [Placed in Library. See No. LT—5671/88).

Notification of the Ministry of Surface Transport (Transport Wing)

THE DEPUTY MINISTER IN THE MINISTRY OF SURFACE TRANSPORT (SHRI P. NAMGYAL): Sir, I beg to lay on the Table, under sub-section (4) of section 133 of the Motor Vehicles Act, 1939, a copy (in English and Hindi) of the Ministry of Surface Transport (Transport Wing), Notification GSR No. 53(E), dated the 25th January, 1988, regarding amendment to Over-all Dimensions of Transport Vehicles and Tyre Rules. [Placed in Library. See No. LT—5672/88].

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Crisis facing the textile industry in the country and the action taken by the Government in this regard

श्री मुख्तियार सिंह मलिक (हरियाणा): मुख्य मंत्री श्री देवी लाल के खिलाफ सारे अखबारों ने आज....

[**The Deputy Chairman** in the Chair]

.. (*Interruptions*)

SHRI DIPEN GHOSH (West Bengal): *

THE DEPUTY CHAIRMAN: Nothing will go on record.

SHRI DIPEN GHOSH: *

SHRI PARVATHANENI UPENDRA (Andhra Pradesh): *

THE DEPUTY CHAIRMAN: Please listen. Permission has been sought by the Members from both sides but it has not been given. Therefore, it cannot be allowed.

SHRI PARVATHANENI UPENDRA: *

SHRI DIPEN GHOSH: *

SHRI PARVATHANENI UPENDRA: *

THE DEPUTY CHAIRMAN: Please listen. Please sit down.

उपसभापति : परमीशन मांगी है और इसकी परमीशन आपको नहीं मिली है। जिस बात की परमीशन चेयरमैन साहब ने नहीं दी है वह बात आप बिना परमीशन के नहीं उठा सकते हैं।

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN: Without permission I cannot listen.

*Not recorded.

SHRI DIPEN GHOSH: *

SHRI M. S. GURUPADASWAMY (Karnataka): *

SHRI PARVATHANENI UPENDRA: *

THE DEPUTY CHAIRMAN: It will not go in press. It will not go on record.

SHRI DIPEN GHOSH: *

SHRI M. S. GURUPADASWAMY: *

SHRI DIPEN GHOSH: *

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: It will not go on record because no permission has been given. It is not going in the press. It is not going on record.

SHRI M. S. GURUPADASWAMY: *

SHRI SAT PAUL MITTAL (Punjab): *

SHRI PAWAN KUMAR BANSAL (Punjab):*

SHRI PARVATHANENI UPENDRA: *

SHRI M. S. GURUPADASWAMY: *

SHRI PARVATHANENI UPENDRA: *

THE DEPUTY CHAIRMAN: Now we will continue with the business.

SHRI M. S. GURUPADASWAMY: *

SHRI V. GOPALSAMY (Tamil Nadu): *

SHRI A. G. KULKARNI (Maharashtra): Madam Deputy Chairman, I am on a point of order. (*Interruptions*). Are you not allowing me to raise my point of order? Madam, I want to draw your attention to the responsible cooperation of the Opposition parties here. They are raising something which has neither been permitted nor going on record. Madam, I would request my friends that whatever their contention and whatever the newspapers report, there is a more authentic version of what the Prime Minister has replied in the Lok Sabha. (*Interruptions*)

SHRI DIPEN GHOSH: *

SHRI A. G. KULKARNI: *

SHRI V. GOPALSAMY:

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: Order please. (*Interruptions*)

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: Let us resume our work. (*Interruptions*)

SHRI PARVATHANENI UPENDRA: *

SHRI DIPEN GHOSH: *

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Madam, I am on a point of order. (*Interruptions*)

SHRI DIPEN GHOSH: *

SHRIMATI JAYANTHI N JAN: *

श्री तीरथ राम आमला: (ज काश्मीर) :

उपसभापति : आप सब बैठ जाइये (**व्यवधान**) । बहुत कुछ वक्त इसमें चला गया है और यह विषय कोई परमीशन देकर हाऊस के सामने नहीं आया है । जब भी कभी इस विषय पर चर्चा होने वाली होगी आप जरूर इस बात पर बहस कर सकते हैं लेकिन इस वक्त जबकि यह मामल आर्डर पर नहीं है तो इसको नहीं उठाना चाहिए । मैं आपसे रिक्वेस्ट करती हूं कि इसमें किसी की बात नहीं है । बहुत लोगों ने इस पर बहस मांगी है । किसी को परमीशन नहीं मिली है । जब मिल जायेगी और जब बहस होगी तो आप जरूर इसमें बोल सकते हैं लेकिन इस वक्त नहीं । (**व्यवधान**)

*Not recorded.

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN: I cannot assure you like that. इस पर बहुत ज्यादा समय चला गया है, समय बर्बाद हो रहा है। सदन का कीमती समय बर्बाद हो रहा है। यह विषय आर्डर पेपर पर नहीं है। मैं दोनों तरफ के सदस्यों से रिक्वेस्ट करती हूं कि यह विषय अभी हमारे आर्डर पेपर पर नहीं है। मैं फिर सदन के दोनों तरफ के मेम्बरान से रिक्वेस्ट करती हूं कि इस विषय पर बहस नहीं हो सकती है क्योंकि यह हमारे आर्डर पेपर पर नहीं है। इसलिए कृपा कर के हाउस का समय बर्बाद मत कीजिये ... (**व्यवधान**)।

SHRI DIPEN GHOSH: *

SHRI PARVATHANENI UPENDRA: *

THE DEPUTY CHAIRMAN: Can you put conditions on the Chair?

SHRI DIPEN GHOSH: *

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: There rules prescribed...

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: I am very sorry, I do not expect such a thing from senior Members of this House...

SHRI M. S. GURUPADASWAMY: *

THE DEPUTY CHAIRMAN: You cannot put conditions on the Chair, Mr. Gurupadaswamy...

SHRI DIPEN GHOSH: *

SHRI V. GOPALSAMY: *

PROF. C. LAKSHMANNA (Andhra Pradesh): *

THE DEPUTY CHAIRMAN: Prof. Lakshmanna, you are a professor. Please tell me under which rule you say unless the Chair assures you you are not going to...

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN: It is wrong on your part. Please don't do that, Mr. Ghosh. It will be considered a wrong tradition that you are setting in the House.

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN: If there is some other matter and if Members of the other side demand, let there be an assurance, then only we will allow the House, it is going to be a bad precedent.

SHRI DIPEN GHOSH: *

SHRI PARVATHANENI UPENDRA: *

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN: No, please... (*Interruptions*)...

SHRI DIPEN GHOSH: We are all walking out. (*Interruptions*)...

(*At the stage, some hon. Members left the Chamber.*)

SHRI N. K. P. SALVE (Maharashtra): Madam Deputy Chairman, I seek your permission to make a submission.

THE DEPUTY CHAIRMAN: Yes.

SHRI N. K. P. SALVE: Madam, it is unfortunate that things should have taken such a turn. I want to submit to you on my behalf and on behalf of my party that we are also worried about probity in public life. They want to raise the question that it related to Gyaniji and our Members want to raise some other question, both impinging on the question of probity in public life. Madam, what is most unfortunate is why there should be an intimidation to us or this sort of dures or coercion should be brought on the Chair. This is most unfortunate. So far as we are concerned, we have raised an issue and we are agitated about it. What we request you is to consider the matter because we ourselves are worried about probity and high standards in public life.

*Not recorded.

SHRI A. G. KULKARNI: Who is afraid of probity in public life? We are ready for a discussion.

SHRI N. K. P. SALVE: Madam, we are not worried about any discussion. Let there be any amount of discussion. This is not the first time that this has happened. Several times they have asked for discussions. Several times they asked for a discussion on the Bofors and we went in for a discussion. They asked for a discussion on the Fairfax issue and we went in for a discussion. Everytime they felt humbled and now there is nothing else to hang on to. Therefore, they are depending upon a Press report and this subject is an extremely good grist to the mill of sensational journalism. So, they want to hang on to it. If they want to hang on to it, we have no objection provided you allow it. But the question is, I want to respectfully submit, that an impression is sought to be created hat my party is not willing for a discussion. This is utterly wrong, utterly untenable and utterly untrue. If you permit, we are ready for a discussion, not once, but a hundred times.

THE DEPUTY CHAIRMAN: I have already told them that when the discussion takes place, they can participate. But, today, it is no here in List of Business.

SHRI N. K. P. SALVE: So far as my party Members are concerned, I fervently plead with you to kindly consider the request that they have made for a discussion on the demeanour of Mr. Devi Lal because we are also interested and it is not purely for scandal-mongering and it is not purely to run down anybody. We ourselves are concerned about the things that are happening in this country. But let this House not be a forum purely to discuss scandals and gossips. That will completely lower the dignity of this House.

श्री मुख्तियार सिंह मलिक : मैडम मैं यह गुजारिश करना चाहता हूं कि It is a matter of public importance.

एक तरफ तो देवीलाल बोट क्लब पर लोगों को इकट्ठा करके कहते है कि हम लोक राज चलाना चाहते हैं और दूसरी तरफ हरियाणा हाई कोर्ट ... (व्यवधान) ... परमीशन लेकर बोल रहा हूं । ... (व्यवधान) ...

उपसभापति : मैं अलाउ नहीं कर रही हूं ।

Now, we shall take up the Calling Attention Motion. Yes, Mr. Kulkarni.

SHRI A. G. KULKARNI: Madam, before I call the attention of the Minister, I want to express my feeling that the irresponsible behaviour of the responsible Opposition and senior Members is reprehensible.

Madam, I beg to call the attentic of the Minister of Textiles to the cri facing the textile industry in ' country and the action taken by G ernment in this regard.

THE MINISTER OF T (SHRI RAM NIWAS MIR Madam, the general condition of the textile industry can be judged by the production figures of yarn and cloth. The total yarn production increased from 1382 million kgs. during 1984-85 to 1526 million kgs. during 1986-87. According to available figures, production of yarn during 1987-88 (April —December) is estimated at 1174 million kgs. as against 1121 million kgs. during the corresponding period of the last year. The production of cloth has increased from 12,014 million metres during 1984-85 to 12,988 million metres during 1986-87. During 1987-88 (April—December), production of cloth is estimated at 9744 million metres as against 9613 million metres produced during the corresponding period of the last year. However, over the last few months, Government has been receiving many representations regarding problems faced by handloom, power-

loom and organised mill sectors in different parts of the country. The cotton year 1986-87 saw a reduction in total production and rise in prices of cotton. As a consequence, there has been an increase in the prices of cotton yarn. The profitability of weaving operations has been affected by the rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing power in rural and urban areas mostly due to drought conditions and floods.

The handloom sector, which provides employment to about 100 lakh workers has been affected by high prices of cotton yarn and sluggishness in demand for handloom cloth. The long term measures taken by the Government regarding the regular supply of yarn to the handloom sector include the hank yarn obligation scheme, increasing captive production of yarn for the handloom sector through weavers co-operative spinning mills and, lately, through the activities of the National Handloom Development Corporation. The State Governments have also been asked to coordinate measures to arrange supply of yarn to the handloom sector. In order to tackle problems on account of poor off-take of handloom cloth, NABARD has issued instructions that credit limits may be sanctioned upto 75 per cent of the anticipated sales, instead of the earlier basis of 40—45 per cent. Similarly, RBI has issued instructions to public sector banks to consider sanctioning additional working capital limits upto 20 per cent of the existing limits to National/State Handloom Development Corporations. The subsidy on Janata cloth is being enhanced from Rs. 2.00 per sq. metre to Rs. 2.75 per sq. metre.

Because of the excess weaving capacity in the country, the levels of weaving activity in the decentralised powerloom sector change from time to time depending upon the prices of yarn, off-take of cloth and other factors. The profitability of weaving operations in this sector also has been affected by the rise in prices of cotton yarn and sluggish demand of cloth. This has resulted in reduction in levels of weaving activity in some areas. However, the available figures of yarn deliveries to the powerloom sector, for the country as a whole, indicate that the production of cloth in the powerloom sector has been maintained during the first eight months of the current financial year.

While the output of cloth from the decentralised sector has increased over the last few years, the production of cloth by the mill sector has shown a marginal decline. As at the end of December, 1987, there were 133 closed mills, affected about 1.71 lakh workers. The nodal agency set up to evolve rehabilitation packages has examined 107 mills and have found 51 of them viable. The implementation of the Textile Modernisation Fund scheme has resulted in sanction of Rs. 458.91 crores to 96 units and actual disbursement of Rs. 149.56 crores to 64 units.

During 1985-86, cotton production was 107 lakh bales. Largely on account of adverse seasonal conditions this production has declined both in 1986-87 and 1987-88. The production of cotton during the current year, according to the latest estimate of the Cotton Advisory Board is 87 lakh bales, as against the earlier estimate of 95 lakh bales. There has been resultant increase in the prices of cotton and various types of cotton yarn. Government have reviewed the situation for corrective action Government have suspended exports of staple cotton since July, 1987. To ensure that exports of cotton yarn do not affect the domestic availability of cotton and cotton yarn, import of cotton against export of cotton yarn, cotton fabrics and made-ups has been permitted on advance licensing basis. Government are maintaining a constant watch on the situation regarding the availability of cotton required for production of yarn.

Government's concern about the problems faced by the textile industry has been reflected in the measu-

[Shri Ram Niwas Mirdha]

res announced in the Finance Minister's speech while presenting the Budget for 1988-89. Viscose Filament yarn supplied to registered handloom cooperative sectors will now bear a concessional rate of 50 per cent of the existing duty. In general, the duty on polyester staple fibre is being reduced from Rs. 25/- to Rs. 15/- per kg., on polyester filament yarn from Rs. 83.75 to Rs. 53.75 per kg., and on nylon filament yarn from Rs. 70/- to Rs. 40/- per kg. The excise duty on viscose filament yarn, cleared for blending with cotton, is to be reduced from the existing level of Rs. 7/- per kg. to Rs. 5/- per kg. The excise duty on cotton yarn above 35 counts is being reduced by 3 paise per count. The excise duty on certain specified machinery required for modernisation of mills is being reduced from 15 per cent to 5 per cent *ad valorem*. These fiscal measures should provide a fillip to the textile industry.

As the entire economy recovers from the adverse effects of drought, conditions in the textile industry, are also expected to improve.

SHRI A. G. KULKARNI: Madam Deputy Chairman, at the outset, I would like to comment that the statement made by the hon. Minister is totally disappointing. I do not know whether the Minister and his Ministry have really appreciated the thrust of our Calling Attention. It is for the total textile industry as such. Particularly, the role of the handloom sector, the role of the organised sector and the role of the cotton growers has to be integrated. The Ministry claims to have evolved an integrated textile policy.

Madam, it is up to the hon. Minister to appreciate our difficulties. He has taken comfort from the fact that there is an upward tendency or ample supply of cotton yarn. He says that the fabric position is comfortable. I think these are what you call the gimmicks of statistics. Actually in this country the entire installed capacity is supposed to produce 30,000 million metres of cloth. It may be in the spinning sector or the weaving sector But we produce less than 50 per cent of it. Perhaps the Ministry should have been innovative. They should have considered as to why the textile industry is falling to produce more and to attain a comfortable capacity utilisation in this country. Madam, I thought that the 1985 is the only textile policy. But I find that the textile policy has been reviewed and revised three times. In 1978, there was a textile policy. There was a textile policy in 1981. In 1985, there was this textile policy for the integrated development of the textile industry. Actually, what is the experience of the last two or three years? It is a totally disintegrated textile policy which has played havoc with all the concerned sectors, with the cotton growers, with the handloom weavers or with the organised sector. As regards the powerloom sector, I feel that the powerloom sector should be scrapped. It has not provided to the Government requisite proof of its justification to survive. Powerloom has no role in this country. That is my considered opinion of 40 years being connected with the powerloom sector. So, the integrated effect is that the Ministry, particularly the Government, is prescribing one medicine for three ailments in the body. There are three ailments in the body—one is the cotton grower, the second is the handloom weaver, and the third is the weaving sector. They are trying and they are making an effort to put, what you call, in one thread all these three sectors which are not properly aligned to each other. Madam, the laudable objective of the textile policy which I find from the National Textile Policy of 1985 is to provide cloth. Madam, I am surprised when a good friend like Mr. Mirdha who is also an agriculturist and a co-operator—all the other qualities are there with him—says that 14.8 mtrs.—with a small difference here and there—of cloth per head is available. Is the Minister aware that in

the recent surveys by the NCAER and other organisation and other research organisations in the country—and even by the Government itself—it has been found out that the consumption for the bottom 40 per cent of the people has not even reached 3 or 4 or 5 metres per head while the upper 10 per cent of the population consumes or purchased about 18 metres and an average has been arrived at? Have you got any price? I have got no pride when the poor people cannot affort to purchase. I can understand that you can say that this is a problem of economic development. I appreciate. I am one with you when you say this. But, this is the position. For that, Madam, I do think that the Textile policy has been a total failure as far as I am concerned. Madam, only two days back, the Indian National Trade Union Congress led a morcha at the Boat Club. Perhaps, the Minister must have visited or the very respected leader, Mr. Ramanujam must have called on him and the Prime Minister. I do not know. But he must have. Even our Left parties have organised morchas.

SHRI CHITTA BASU (West Bengal): We shall organise more.

SHRI A. G. KULKARNI: That is your job to organise. My job is to develop the country. Your job is to destroy the country.

SHRI CHITTA BASU: My job is to destroy you also.

SHRI A. G. KULKARNI: I am a game for that. Don't worry about my getting destroyed.

What I am saying is that Mr. Ramanujam must have called on him or he must have given him a memorandum. I have also got a copy of the memorandum with me. In the organised sector which is a pampered sector, what is the result? After being financed by the Textile Policy, more mills are becoming sick, more employees are being thrown out of employment I know what the reason is. And I have not got any Allauddin's Lantern to find a solution for it. I know that there are difficulties. Mr. Minister, when we say that this is the position in the organised sector, you say some 300 or 400 crores of rupees of IDBI loan for sick mills and modernisation, etc. It is a flea-bite, Mr. Minister. If you look to the neighbours around this country, right from Pakistan to Korea on that side, where is the textile industry? What is the position of the textile industry? What is the level of technology adapted? But we have got a job to do because this is a thousand year old industry and we are nursing and we are trying to find out a proper solution for its working. Madam ,the cotton grower is not at all happy. He is totally disillusioned. Let me warn the Government that the cotton growers in this country, out of a total of 100 million families which are engaged in Agriculturing farming 30 per cent should be cotton growers and out of that perhaps less than 30 per cent have got irrigation facilities and the rest are dependent on the mercies of the rain God. What has happened in Andhra Pradesh is a matter of serious consideration. It is a matter of shame. When we talk of cotton growers a silent revolution is taking place in this country. Therefore, all these agricultural communities are fighting for proper trade balance between the agricultural prices and the manufactured products. The Government will take note of the fact that the problem of cotton growrs is not very easy to solve. My suggestion to you will be that the problem of cotton is a problem of crop management water management, better land use, etc. This is a problem where we have to go in depth and see what has happened in Andhra Pradesh. There might be a State Government. I do not know, and agriculture falls within the purview of the States and whether the State has failed or not. I do not know. But Madam....

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Mr. Kulkarni, the Chief Minister has announced many relief measures to the cotton growers. Yesterday I mentioned all these things in my special mention and I have requested the Central Government to provide crop insurance and other reliefs demanded by State Governments which are so essential. I have made this request to the Central Government. The State Government has done whatever it could do even regarding the loans etc.

SHRI A. G. KULKARNI: Thank you very much for the mercy of the Chief Minister on the farmers.

SHRI B. SATYANARAYAN REDDY: It is not a mercy. It is the timely action taken by the Chief Minister and the Central Government has totally failed.

SHRI A. G. KULKARNI: This is the problem of the Agriculture Ministry in that State, whether it is in Andhra Pradesh or elsewhere. Tomorrow it might be in Maharashtra, next it may be in Gujarat and Punjab. What I want to say is that when the farmers are being encouraged to grow finer varieties of cotton, naturally insecticides, fertilisers, etc. have to be used. When there is total shortage of cotton in this country, this is the fate. What my friend has put on today, Madam, is Mao's suit...

SHRI B. SATYANARAYAN REDDY: Mr. Kulkarni, I had been to China

SHRI A. G. KULKARNI: Madam Deputy Chairman what I want to suggest to the Minister is that though in his answer he may say that it is the Agriculture Minister at the Centre or the Agriculture Minitsry in the State, the fact is that there is total lack of crop planning, total lack of monitoring, the use of insecticides, fertilisers and water should have been devised better, and then only the lives of these 27 farmers, who have committed suicide, could have been saved.

Madam, when I am on cotton, I would also like to say that the entire perspective of cotton development economy has to be gone into. In the textile policy you have only mentioned it. In this connection I want to draw your attention because while I am on this point, I want to say that now you have introduced a multi-fibre policy. I was also thinking of the multi-fibre policy to relieve the pressure on cotton. But recent studies have shown, by various textile research organisations, that the multi-fibre policy will within a period of ten to fifteen years dislodged 30 per cent of cottoncrop in this country and the farmers dependent on that will be on the streets. But, the multi-fibre policy, I am aware that the cloth lasts long, yes, is it suitable for a climate like India, is it suitable for the tropical climate of this country? On the contrary, the western countries are transferring their apparel use from synthetic to cotton. This is because they are costly and this is dam cheap and you are only trying to encourage those eight synthetic manufacturers who are making a hue and cry for concessions either for cheaper cloth in synthetics or there is a bogey of smuggling which has been brought into it. I have already written you a letter before the Budget. I have drawn your attention, but it is up to the Government. (*Time bell rings*). I am just on the second point. All these friends have taken my time. You have to give time. (*Interruptions*).

THE DEPUTY CHAIRMAN: Don't blame them.

SHRI RAOOF VALIULLAH (Gujarat): Textile is like a relief fund which he wants to utilise fully. (*Interruptions*).

THE DEPUTY CHAIRMAN: There are many other speakers.

SHRI A. G. KULKARNI: I have got only ten minutes whereas on a subject like this even 45 minutes are not sufficient.

THE DEPUTY CHAIRMAN: You have already taken 15 minutes.

SHRI A. G. KULKARNI: Now coming to tax structure, in 1950s out of Rs. 6000 crores value of cloth was attracting a duty of Rs. 700 crores. Now out of about Rs. 13000 crores of cloth value is attracting a duty of Rs. 4000 crores. That means from 7 to 29 per cent tax increase has taken place. I know what you are talking of, but this problem is for those who are begging for a morsel of bread. Our good friend and kind Finance Minister has given concessions of tax to the textile industry. But the textile industry is becoming misnomer. Actually, the concessions have been given to the synthe- lobby being led by Reliance. Out the entire concession, agriculture or has been given Rs. 1279 crores ne whole year while the synthetic y led by Reliance has been given cession of Rs. 236 crorese. (*Interruptions*). What is wrong there? Why are you blaming me? Out of that, Rs. 165 crores go to one single house on the pretext of smuggling etc. Who is using this cloth? What is the problem of the cloth produced by synthetic manufacturers? You have given for cotton yarn three paise per count. Perhaps, Mirdhaji is clever enough. He has been the Minister in States and here and everywhere. He knows, what does this 3 paise per count plus .25 per cent or whatever Tiwariji has said as general excise surcharge, mean? I found out from our spinning mills which produce cotton yarn what the total effect is. I know it. This is a cheap gimmick of the Finance Minister to please everybody. The concessions given to Reliance work out to Rs. 236 crores while poor beggars, handloom and powerloom weavers, are given this much amount, which means zero, it has got no meaning.

Madam Deputy Chairman, I want to give my own experience and I want to suggest something which may ultimately be done. In this country if you want to review this textile policy, powerloom, forget about it; it is already dead. Now Madam, I have got various issues of papers. Here it is said: One lakh powerloom workers jobless. I do not know why this poor man has spent a full page on writing in the Sunday Observer of January 17. Do not shed tears now that the powerlooms are in bad shape. They are in bad shape and they will be permanently in bad shape. When you say concession, I am really surprised. I know your Ministry. I know the officers of your Ministry. Here is an officer from the Petrochemical Ministry and he is roping you in in that concession given to Reliance. I do not know why he is roping you in. I quote from the *Times of India* dated March 3, 1988. The Secretary who briefed the press says that the duty relief to polyester staple fibre has been proposed in the Budget following strong recommendation of both the Ministry of Textile and Ministry of Petro-chemicals. I do not understand this. The Secretary is bending forward and backward to justify that these concessions are not for Reliance. I can understand that. That might be the Government policy. But your Secretary and other Secretaries should be roped in means there is no justification at all. What I suggest to you is that synthetic is going to be the last straw on the camel's back in the case of cotton growers. I am for multi-fibre policy to a certain extent. But it has to be monitored: the whole mix must be such that the prime place is given to the cotton-grower of this country.

Now I come to the other two points. The first is about the organised sector. I also apply my mind the same way as you are applying. It is a stupendous problem. I would re-

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quest my friends on this side. Unemployment in the organised sector is there. Please believe me, I am connected for the last 45 years with the textile industry, I am myself as a cooperator interested in big spinning mills. A big section of powerlooms is in Malegoan and Bhiwandi. There lakhs of looms are closed. I asked my friend who came from that town two days back: "How much is running?". He said: "It is as good as finished. It might be 30 per cent or 40 per cent which is running. It has become now a seasonal industry". If employment is to be created in the rural area in a decentralised place, Mirdhaji, you must know, to create it the Government requires, the entrepreneur requires lakhs of rupees, but employment already created is being destroyed and you talk of poverty alleviation programme etc. So I would request that this is the problem and in case of organised mills, Mirdhaji, time has come to sit with the Opposition, particularly the trade-union leaders, and come to a conclusion that the organised sector particularly has a place for export purposes and for producing such type of cloth as Reliance is producing, Vimal is producing or Bombay Dyeing is producing—which is for the upper 10 per cent class of this country. These are the only two propositions which can stabilise the organised sector, otherwise much of that capacity has to be scrapped. It is all old junk which is now working in this country. Just consider Korea, Taiwan, China and Pakistan. Even Pakistan has gone ahead of us. So these are the sections for organised sector. I do think, Mr. Minister, that they have got a place in catering for the upper 10 per cent class and the concession which your colleague, the Finance Minister, has given is for this upper 10 per cent class. A synthetic saree is costing Rs. 250-300. Whether it is two rupees less or five rupees less hardly matters. I know, Madam, you cannot purchase that. But we should not worry about ladies, who have got a craze for purchasing nylon and other varieties costing Rs. 300, 800 or 1000, shedding tears. You should have shed tears for cotton fabrics, for those who are using cotton fabrics. That is not being reflected.

Many friends from this side will speak on the plight of the labour. I am not an expert on that. I am at the receiving and because I have already started it and I am at the receiving end. So, I do not want to open a fight with you on that.

Madam Deputy Chairman, what I want to say is, the organised sector has a role. But for cotton economy you have to play a more dominent, innovative role. Don't only say that the textile policy has said so many goody things. It does not mean anything on the field. It does not make any sense at all.

Then I come to handloom. The handloom sector, Mr. Minister, think, has got a place. I do n know whether your census is rec or not. Already you have overs ped the time. I would request to make a correct handloom cen

Don't create the vested interes the master weavers who are emp ing the handloom weavers, whether in Tamil Nadu or UP or Bengal also for that purpose. The master weavers who are exploiting the handloom weavers, are only interested in the rebate and the janata cloth. You have given it for the janata cloth. But actually the powerloom cloth is being marketed as handloom cloth. The richer is the powerloom fellow, and that too the master weaver because the powerloom entrepreneur is not so rich. So, I request you, Mr. Minister. Please destroy the master weaver lobby, whether it is handloom or powerloom. Many enquiries have been made in my State. Madam, you were also a Minister in my State. You know that in Sholapur and some other centres a rebate scandal has been unearthed. For many years cases are going on. The rebate is misused. It does not go to the

poor handloom weaver who toils for eight to ten hours on his loom daily.

Last point, Mr. Minister, you spoke about the NABARD. I have already written to you a letter, about the NABARD to handloom, I have not studied that problem. I am so sorry to say this. The NABARD assistance, you have very much announced with so much faith in the NABARD ganisation. You know as a co-erator. You agree with me be-se you have said the same thing. e NABARD is not a developmen-l agency. This is another wing of the bureaucratic RBI. I have already written to you. What is the NABARD scheme? Rs. 25,000 per powerloom for a new loom. I have asked my friends: how many co-operative societies you manage in Ichalkaranji? They said: forty. How much money? No money. Neither the district bank nor the urban bank is giving money. Why? The NABARD does not reimburse. I ould request you to change the role the district bank in this effort be-e the district banks are already lened with finding resources and ey for the agricultural comm-y. The urban bank will be a e suitable agency. What was in mind? To remove the ailing powerloom sector. The powerloom sector is already on the ground with 10 lakh powerlooms. Co-operative societies are already being formed because of your advice. But no money is coming because the NABARD says, "We want to give, we have been advised by the Ministry to give money only to new looms." But how can you get that handloom or powerloom out of the master weaver's clutches? This is a failure of your policy. You have not really studied the entire problem and given the medicine which is required. I request you. Mr. Ramanujam met me, and I discussed with him. I found out the ills of the organised sector and the ills of the handlloom sector.

In the powerloom sector, I have aid, I have not got much interest now. This can be only removed by very much pragmatic policies and reviving the textile policy out of the nefarious role of synthetics because of smuggling. Here, Maadam, I have got a 1.00 P.M. statement from the Government side. Here it is. It is for you Mr. Minister to understand. The gentleman says that even if the entire duty on PFY and synthetic fabrics is removed, smuggling will not stop. What smuggling is, the Finance Minister has given various replies. Only last week the Government has given the figures to show that it is Rs. 14 crore to Rs. 15 crore worth of synthetic fabric. Smuggled yarn is also there. Total from Dubai source must be worth about Rs. 400 crores and from other sources it must be another Rs. 500 crores. But, when yarn is given, it gives work to the powerloom weavers. So, we need not worry. About fabric you are not expected to worry because it is for rich men's cloth. So, these are the problems.

About cotton, I would again request you to go into the cotton economy. I do not know whether this new textile policy has been dispensed with lock, stock and barrel by the ICMF to adopt a multi-fibre policy. Multi-fibre policy in the developing economy has a role, but it has to be monitored and managed. There has to be a good product-mix with cotton, just as a little water in milk can work, but if we have entire water and very little milk, it means there will be water and no milk at all. So, if you want to protect employment whether in organised, handloom or in powerloom sector, your policy needs a drastic revision and I request you for that.

THE DEPUTY CHAIRMAN: Shri Chitta Basu.

SHRI CHITTA BASU: Madam, I think you should be fair to me.

THE DEPUTY CHAIRMAN: Am I unfair if I call upon you to speak?

SHRI NIRMAL CHATTERJEE (West Bengal): He is looking into the future, the 21st century. How much time he will get.

SHRI CHITTA BASU: I think you should be fair.

THE DEPUTY CHAIRMAN: I am always fair. Don't worry.

SHRI CHITTA BASU: Thank you very much.

Madam, I am amazed to see the statement which has been made just now by the Minister of Textiles.

SHRI A. G. KULKARNI: Madam, will the Minister reply after Lunch or....

THE DEPUTY CHAIRMAN: Of course. There are many other speakers left.

SHRI CHITTA BASU: Just to remind the hon. Minister, on 28th of November last year, he made a similar statement. If you read these two statements together, you will find that they are merely an essay on textiles. The latest one is just the same except the change in certain figures. The whole tenor, the whole theme is same as it was about six months ago, while the fact remains that there has been a sea-change in the situation particularly relating to the industrial workers in the organised secor, in the handloom sector and also in the powerloom sector. The Government, rather the Ministry—I would not say the Minister himself—seems completely impervious and insensitive to the realities of the situation that is prevailing now in this very important sector of our economy.

The entire textile industry is in shambles. It is crisisridden. All the three major sectors viz. the handloom, organised and the powerloom are in a state of the acutest crisis. The crisis is manifested according to me in three broad categories. One, there has been a steep fall in the machine utilisation in the organised sector. The second aspect of the crisis is the heavy losses in production. The third aspect of it is the steep rise in unemployment. These three aspects are very much an integral part of the collapsible economy of our nation. If you want to redeem our economy, then these three aspects of the crisis which is inherent today in the textile indust have to be removed.

Now, I say something about t handloom industry. This is an in dustry which provides employment to very large sections of our people in the rural sector of our economy. Now, thousands of handloom workers have got no work today. I have got only one example to give. Recently I had been to Nagpur and I had a meeting with the handloom weavers. They gave me a figure about Nagpur. According to them there are over 13,000 handlooms under th Maharashtra Rajya Hathkarh mand in Nagpur. You know much bet than I know. Of these only 9 are reported to be in operation, is, one month ago. Look to figures: out of 13,000 only 9,000 now in operation. You can ima the exact number of handloom weavers now going without job. As a matter of fact, I do not like to give more information because he knows all the information. I do not say that he does not know anything. But I feel that I should project the grim nature of the crisis. The grim reality today is that 80-90 per cent of handlooms and powerlooms are closed throwing lakhs of workers out of employment.

As of today 133 textile units in the organised sector are closed involving 1,71,000 workers in different parts of the country. What is more amazing to learn from the statement is that the Government had conducted the investigation and after investigation they found of these 133 units, only 51 or 54, whatever it may be, have been found viable and rest are not viable. In fact, he has shared

with us that the Government had a scheme of modernisation. For that modernisation scheme, the Government has sanctioned a sum of Rs. 458.91 crores to 90 units. If I am correct so far the disbursement is Rs. 149 and odd crores. Therefore, even modernisation scheme which the Government have so far taken up is not being implemented and I know the reasons for it. The textile tycoons do not want modernisation. They do not want that kind of scheme. They want more concessions and they want the right to remove or reduce the labour-complemnet. Now if employment is a very important factor in this case, then, the Government should take a firm position so that there is no retrenchment. There should be a provision of work for those who have been working. And since most of the trade unions are insisting on that, they are bound to do it. We have yet to defend their interests. Unions are there not to retrench the workers. Unions are here to protect the jobs of the workers and pressures are brought up by the employer and also by the Government to see that the unions accept the reduction of labour complement. I would like to warn the Government that pressure is not going to bring any result. They will have to devise other methods so that all of them can be provided with jobs or at least provided with alternative jobs. Some time ago, we heard from the Ministry that the Government has also set up some special fund for providing alternative jobs or for providing relief to those workers who will not be absorbed in the employment. I want to know what has happened to that. Now I am quite grateful to Mr. A. G. Kulkarni. He has rightly said that the National Textile Policy needs to be reviewed. I understand his difficulty but I have got no difficulty. I can call a spade a spade. It is to be scrapped. There is no question of reviewing it. What is to be reviewed? It is to be scrapped and a new proper pro-people, pro-grower, pro-worker policy has to be evolved. (*Interruptions*). For that we are meeting on the 15th March and I hope Mr. A. G. Kulkarni and others will also join me. Therefore, Sir, I am very much against this National Textile Policy. It is not national. It does not protect the interest of those who are connected with the textile sector. Therefore, it must go lock, stock and barrel. What is the National Textile Policy as it goes? As a matter of fact, this is nothing but bonanza and bonanza for the polyester monopolists—to be very clear and plain, for Ambani and Nusli Wadia. Can there be a policy which is to be called a National Policy which provides an umbrella to protect the interest of the monopolists, namely polyester monopolists? And I have mentioned two large houses' names. Therefore, it is not a National Textile Policy. It destroys the handloom, it destroys the powerloom. It only allows the polyester monopolists to grow and earn fabulous profits. Some of the facts have been mentioned by my esteemed colleague, Mr. A. G. Kulkarni. I do not want to repeat them. I have got other facts also. This National Textile Policy is an umbrella for protecting the interest of the polyester monopolists. The second aspect of the National Textile Policy which directly concerns the growers, that is cotton growers and the handloom and powerloom weavers is the rise in the price of yarn. Madam, you will be astonished to learn that this National Textile Policy has given rise to the highest ever price hike in cotton yarn. As a matter of fact, the current price of the cotton yarn has increased by over 100 per cent over 1986-87, that is over these two years, the price of the cotton yarn has increased by 110 per cent. This is the result, end-result, of the National Textile Policy. Therefore, I am sure to say that in order to save the cotton growers, in order to save the handloom weavers, the powerloom weavers, the first thing to be done is to waive the national policy because, I reiterat it is a policy which protects the interests of the

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polyester monopolists in our country. There is another madness I find. Of course, the statement makes something. But I am not assured of that statement. Now, it is known that there has been failure of cotton crop in large cotton growing areas due to the persisting drought in certain parts of the country. In spite of that, when there was a fall in production, the Government took to the policy of export. And this export of cotton and cotton yarn... (*Interruptions*)...has created favourable conditions for the cotton yarn traders and cotton traders to earn fabulous profits. I will only quote two figures from 'The Telegraph'. On 28-11-1987, it was reported,

> "The total quantum of cotton exported has steadily grown to 13-01 lakh bales valued at Rs. 247 crores in 1986-87. In case of cotton yarn, exports have grown steadily to 27.93 million Kg. valued at Rs. 100.97 crores in 1986-87. In respect of cotton yarn, the quantity ceiling imposed on the sixties has been increased to 75 million Kg."

There was a ceiling on the export of cotton yarn and now that ceiling has been increased to 75 million Kg. Also, the offer of cash compensatory support of eight per cent for export of cotton yarn of all counts is still valid. They have not only allowed export of cotton yarn but they have raised the ceiling limit and they have also continue the practice of cash compensatory support of eight per cent. This is the flaw of the policy. I think the Government should take note of it. I will take two or three minutes more. Now I quote the statement of the Minister which he was pleased to make on 28th November 1987:

> "Release of quota for export of cotton has been suspended."

Even last month, that is in January, the Textile Ministry is reported to have entered into an agreement to supply 30,000 tonns of cotton yarn anually to EEC countries. I do not know which statement is correct. Now, I come to janata cloth. Due to the rise of the price of cotton yarn, the producers of janata cloth are suffering a very big loss. I have got one calculation. The consequential effect of this price rise on cotton yarn has been the increase of cost of production of each janata sari by at least Rs. 10. And what concession do the Budget proposals give? For one metre, it was two rupees. Now it has been raised to two rupees seventy-five paise. My appeal to the Government is that the benefit, the subsidy, is too meagre to meet the cost increase which is the result of increased cost of yarn. Last time the Minister was pleased to say about the role of the National Handloom Development Corporation. This time also he has repeated the same as one of the steps he proposes to take. Now I quote two figures. According to the statement of the Minister of 28th November 1987, yarn produtcion in 1986-87 was 1471 million kgs. I think I am right. And the National Handloom Development Corporation supplied only 28 lakh kgs. of a total production of 1471 million kgs! What could the Government do? Only 28 lakh kgs could be supplied through the National Handloom Development Corporation to the weavers. What fraction does it constitute? It means that the bulk of the cotton yarn is in the hands of unscrupulous traders and the Government has no power to control them, to discipline them. And they go to the market and sell that cotton yarn at a very high price causing misery to all, as I have mentioned. Therefore, there should be a much stricter intervention. It is not a free market. If you allow this free market for the traders, then the whole economy will be destroyed. Therefore, I say that there should be a greater role a bigger role, of the Government and the Government should intervene effectively.

Lastly, I would like to make a few suggestions which I feel I should make at this stage.

(1) Scrap the new Textile Policy.

(2) Bring down the prices of cotton, silk, stable and polyester yarn, dyes and chemicals to November 1986 level.

(3) Minimum proportionate raising of Central subsidy in relation to janata cloth.

(4) Direct purchase of all weavers' produce by Governmental agencies.

(5) Long-term interest-free loans to all handloom and powerloom weavers.

(6) Writing off of weavers' debts, Government loans and loans from cooperatives, banks, etc. under various developmental schemes.

(7) Implementation of the recommendations of the Sivaraman Commission and Ram Sahai Commission with regard to UP and other such commissions.

(8) Constitute a high-level body at he Centre with the inclusion of bona de weavers' representatives for fixing he prices of cotton yarn, silk and olyester annually at the time of declaring the support price of cotton by the Centre.

(9) Allocation of spheres of production for handloom, powerloom, and organised sector and also allocation of polyester fibre cloth production to the above sectors.

(10) There should be specified allocation of the area of performance.

And lastly,

(11) Ban all export of cotton, cotton yarn, and plan a fresh large-scale export of handloom and powerloom products instead.

Lastly, let me tell you, Madam, the handloom and powerloom workers and weavers are on the streets today. They held a *dharna* here. I had the privilege of meeting them. They have also announce a month-long programme. They will offer *dharnas* at State capitals. They will also take to the path of jail bharo movement. After that, if the Government remains impervious and silent, the handloom workers and the powerloom workers together with the industrial workers in the organised textile industry will go on a continued and sustained country-wide mass struggle and that is the only way left to them.

Madam, on behalf of them, before they take to that path, the last resort, I would request the Minister to come out with a comprehensive and integrated programme to provide relief and succour to the workers at the looms and the growers in the villages. Thank you, Madam.

THE DEPUTY CHAIRMAN: Now, Mr. Balaram.

SHRI N. E. BALARAM (Kerala): Madam Deputy Chairman, I am also very much disappointed with the statement made by the honourable Minister.

I think, Madam, that he has not admitted the fact, going by his statement, that there is a crisis in the textile industry. The first sentence in his statement says that the 'general condition of the textile industry can be judged by the production figures of yarn and cloth.". It says that the cloth production has increased and the yarn production has increased and the textile industry is in sound health. This is his understanding. I am totally in disagreement with that. Later on, Madam, he says—he knows the feelings of the people in the country—"However, ...". I cannot understand the word "however" here when the economy is in sound health. If the economy is in sound health, where is the question of "however". What is the meaning of this word "however" here? The statement further says that over the last few months, the Government has been receiving many representations, whether it is right or wrong, they are receiving the representations regard-

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ing the problems faced by the handloom sector, the powerloom sector and the organised sector in different parts of the country. so, it seems that they have received so many representations from these three sectors, of late This is the information as far as the textile industry is concerned and it is very fine! Now, the last para of the statement says, "As the entire economy recovers from the adverse effects of the drought, the conditions in the textile industry are also expected to improve.". Thank you very much, Mr. Minister. I do not know whether it is the Minister who is making such a statement here; I am sorry to say that, Madam, he did not admit that there is a crisis enveloping all the three sectors of that industry. I do not want to go into details. He is touring the country and he must be knowing. Hundreds of thousands of these workers, handloom workers, are unemployed and they have lost their jobs. It is a fact. If you go round the country from Kerala to Kashmir, you will see that the handloom workers are not working, that about forty to fifty per cent of the powerloom workers are also jobless and, in the mill sector, about 135 to 140 mills are closed.

SHRI JAGESH DESAI (Maharashtra): About fifty per cent in Maharashtra.

SHRI N. E. BALARAM: That is what I am saying. I am not exaggerating at all. It comes to this only. Lakhs and lakhs of workers are unemployed and the number of families depending on these workers will come to millions. After agricultural workers, the second largest group of workers is in the handloom sector in the country. They are in great difficulty and they are in misery. That is the real problem and you cannot dismiss it easily. Now, what is the way out? Are we to wait till, as you say in your statement, "the entire economy recovers from the adverse effects of drought ...."? It will take so many years. But are we moving in that direction also? I do not think so and I do not want to go into that problem just now. Madam, according to me, the main reason for this crisis in the textile industry is not drought. Drought might be one of the reasons or factors and I do not deny that. But the main reason is not drought. There are three factors which have arisen out of your New Textile Policy. I am totally in disagreement with that New Textile Policy. I also want it to be scrapped. It is high time that you did it. This is an opinion coming from the Opposition parties. We should understand it. We are working...

THE DEPUTY CHAIRMAN: The House stands adjourned for lunch and will meet again at 2.30 p.m. You can continue.

The House then adjourned for lunch at thirty-one minutes past one of the clock.

The House reassembled after lunch at thirty-two minutes past two of the clock.

The Vice-Chairman, Dr. Bapu Kadate *in the Chair.*

SHRI N. E. BALARAM: Sir I was talking about the new textile policy. I think it is high time to review it because the experience about the implementation of that policy has already proved that it did not solve any of the problems that are there in the textile industry. More and more opposition is developing among the handloom workers and the powerloom workers. Even the textile mill owners are finding it difficult. As my friend, Shri Kulkarni, has said in this House, there was a demonstartion organised by INTUC. They have demanded that it is high time to review this new textile policy. They are also opposed to the continuation of this policy. That is what I understand from the newspaper reports. I do not know how the Government will view all these developments. When the Prime Minister was replying to the President's Address, he talked about the unhealthy trade union movement inside the country. If INTUC is an unhealthy trade union movement,

then I don't know what is the real attitude of the Government towards this problem. Anyway, the workers are now very much agitated about the serious crisis that is existing in the industry. There are demonstrations in different parts of the country. I request the Government that it is high time to intervene in this matter. Sir, according to me, the reasons for this crisis are four. No. 1 is that after implementing this so-called new textile policy, the mill-owners in the private sector are not interested in continuing, in operating their mills. They are now searching for other areas where they get more profits like the pharmaceuticals, electronics, ho tels or something like that. They are trying to move their capital towards that. They do not want to run the mills...

AN HON. MEMBER: Moving towards 21st century.

SHRI N. E. BALARAM: Not the 1st century. They want more pros. Only those people who are proicing synthetic products are interesd in the New Textile Policy. My end, Mr. Chitta Basu has named e or two of them. People like e Reliance are very much interested the New Textile Policy. I know that. I can tell you that within a short period this Reliance Company will be one of the topmost monopoly companies in India. Such companies are interested in this textile policy. Genuine mill-owners are not interested. They are moving towards more profitable areas and they are really making the present industry sick. That is the practice now. If you study the situation of the mills in Gujarat and Maharashtra, you can see that they are trying to make this textile industry sick. They are doing it. That is one reason why this crisis is continuing in the textile industry.

Sir, the second reason for the crisis in the textile industry is that there is a tremendous competition, as my friend, Mr. Kulkarni, has pointed out, from smuggled goods. That smuggling is going in a tremendous way, in a very big way. It is reported in the press—I do not know how far it is true—that Rs. 3,000 or Rs. 4,000 crores worth of fabrics are coming every year to our own country from foreign countries. Slowly they are controlling the market or influencing the market. I do not know whether they are controlling the market. But they are influencing the market. It is a very big danger. How could smuggling take place on such a large scale? What steps are you taking? Can't you prevent it? Are you so helpless in checking the smuggling which is going on in such a big way? I am not talking of party politics. When I was in Bombay, everybody was talking about it irrespective of party politics. They are complaining about it. How is it happening? This is the second reason for the crisis in the textile industry. You do not talk about it. Nothing was mentioned about it by the Prime Minister in his reply. Nothing was mentioned by the Finance Minister in his statement. It is posing a very serious threat to our internal market, to our domestic market.

Sir, the third reason, of course, is recession. I agree. That is there, slowing coming in because a large number of people, a large number of peasantry are getting pauperised. It is a fact. Even though you are trying to improve their lot by introducing anti-poverty programmes, etc., if you make a study of the real conditions in the villages, you will find that lakhs and lakhs of small peasantry are getting pauperised. Every day the domestic market is receding. It is a fact. They are not able to purchase. Their purchasing capacity is very low now. This is the third reason. Now, I come to the fourth reason for this crisis. What about your cotton policy? In 1985, there was a crisis of plenty in the cotton sphere. In 1987, there was a crisis of scarcity. What is this? In these two years, what has happened? I do not know your policy in regard to exports and imports. Nobody knows whether you want to import

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or export. You are not very much interested in cotton at all because you are moving more and more towards synthetic products. It is a fact. You are encouraging synthetic textile industry, not cotton textile industry.

SHRI M. A. BABY (Kerala): The Government itself is a synthetic Government.

SHRI N. E. BALARAM: That is a fact. What will happen to the cotton cultivation? What will happen to the cotton industry? What is the cotton policy? That is what I am asking.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): You have to conclude now.

SHRI N. E. BALARAM: As far as the import-export policy is concerned, it is an anarchy. Complete anarchy is prevailing in that sphere. You have no control over that. Complete anarchy is prevailing in that. They are looting the people. By your import-export policy, the monopoly class in India, these particular textile people, they are looting the people, they are destroying the industry, they are destroying the economy. These are the reasons why this crisis is developing in the textile industry. What is the solution? You simply say that if the drought situation improves, the textile industry will also get some improvement. This is not the thing. By giving some directions to the Handloom Board, or by giving some directions to the NABARD or by giving some directions to the Reserve Bank, I do not think you can solve this problem. As my friend, Mr. Chitta Basu suggested, you have to first of all give up your policy, new textile policy, once and for all. It does not do any good to the people. It does not do any good to the industry. You have to re-examine it objectively and you must have a new policy which will help all sectors, mill sector, handloom sector and the powerloom sector. Number two,...

THE VICE CHAIRMAN (DR. BAPU KALDATE): Please conclude now. You have already taken so many minutes.

SHRI N. E. BALARAM: Yes, Sir, I will obey. I will just take one or two minutes only. I agree with all the suggestions made and want to add only one or two more. Ban all exports of cotton and cotton yarn. You should do that immediately. And I want you to exempt powerloom of the decentralised sector from excise duty because these are the suggestions of Chitta Basu. In addition, if you want to improve the handloom industry, you should grant interest-free loans from Rs. 15000 to Rs. 24000 for rehabilitation. Otherwise they cannot restart their work. And writing off of all weavers' debts, Government loans from co-operative banks under various development schemes should be done immediately. Unless you take these steps, I do not think this crisis can be solved and this industry can be saved. Thank you.

THE VICE-CHAIRMAN (DR BAPU KALDATE): Smt. Bijoya Chkravarti—Absent. Yes, Dr. Vijay Mohan Reddy.

DR. G. VIJAYA MOHAN REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, this textile policy has to be viewed in the context of the total policy of this Government because this is one important aspect which has been connected with the growth and development of our nation. Sir, from the days of the British, these textiles have been ruining us, ruining the Indian nation. The Britisher smashed the Indian economy through textiles. The battle of independence was fought on this particular policy. Burn the foreign cloth, have the Indian cloth, be wearers of khadi. The spirit of the entire freedom moment, the life of Mahatma Gandhi itself is the embodiment of this policy. But unfortunately it is this textile policy which I can very well say has totally failed the symptom of the disease, the disease from which this particular economic system cannot recover at all. It is in perpetual crisis. The farmer,

the cotton grower is forced to commit suicide because the agricultural economy is forcing him. None of your policies has been able to come to the help of your farmer because your economy is to mobilise capital for the capitalist class. (*Interruptions*) Whatever it is, when capital is accumulated naturally farmer has to suffer and he has been suffering. During the British days sufferings was there for them. During this regime also the same suffering is there. The inputs are very costly and, therefore, the produce cannot fetch remunerative price. Whims and fancies of the Government policy always go against the farmer's interest. Our friends were revealing all aspects one by one. Textile industry is the oldest in our country. Even today it is the biggest industry in the whole world. The mill sector is the biggest in the world because you have got 950 mills. The number of spinners in our country is the largest in the entire world. Best cotton is produced in our country. Everything is the biggest and he best but the crisis knocks away thing and keeps the person star- The cloth production in this per capita is 15 metres. This the entire policy has failed. metres you cannot give two pairs of cloth to every Indian and India is going half naked. How can you say that with your new textile policy you have made progress? How can the people swallow it? You want to say that there is increase in the production of cloth. You also want to say that you have got a little more foreign exchange because of the exports. With these claims whom are you going to satisfy? India goes half naked, please realise that. Cotton grower is dying. Our friend was making remarks about Prakasam district and suicides that have taken place. Yes, suicides do take place. You have destroyed the farmer during the past 40 years. What can the State Government do about it? We wish to come to the help of the farmer in the best possible manner. We have converted Rs. 50 crores into long-term loans. We have put in Rs. 20 crores for development programmes in those districts. We have requested the Central Government to come forward with relief but that aspect is zero. We have also asked the Central Government to take certain steps. Pesticides that are produced and distributed are adulterated. Synthetic pesticides supplied by the multinationals for whom you have got lot of regard, they cost phenomenally high, Rs. 800 to Rs. 1000 a litre and they are also adulterated when it comes to distribution. It has been stated in one of the special mentions that lakhs of acres crop is destroyed in Bihar because of spurious fertilizer distributed by the Government agency itself. So, how can you do it? When it comes to banks and bank policy, they say that because of bank secrecy they cannot reveal the writing up of the industrialists loans in this House. You cannot write off the loan of farmers. You say that the entire economy will be upset if the bank loans are waived off.

Crop insurance, this is one of the biggest hoax that this Government is perpetuating on our agricultural community. The loan process is inbuilt in this Insurance Bill. But once the crop fails there is no way in which insurance money. Could be got No agriculturist has so far received any insurance money. The farmer is paying two to three per cent of the loans he is taking, but he is not getting the insurance money. Could be got no and this commercial crop is not covered under insurance. Why? The reason is that you know it all well that you cannot implement all these things. You require resources to be pumped into agricultural sector which you are not prepared to do which you are not willing to do. And all your 750 crores which you say you are going to give for modernisation have gone down the drain. This amount of Rs. 750 crores under your new policy is not going to save the textile industry because that industry is going under. As our friend was telling, you are for synthetic cloth and synthetic fibre, or polyester. They are getting all this relief of Rs.

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250 crores, as has been mentioned, as a tax concession, by no less a Member than the seniormost Member from the treasury benches. It is a woe for our country and country's economy that we are forced to discuss the subject and at the same time think of ways and means of curing that disease. The disease cannot be cured because the system has to be changed, a system in which the handloom worker cannot have a place in society, who is producing more than one-third of the cloth and who is not in a position to be given yarn at a cheaper price at his own door, a system in which all the other institutions that have been raised in his name are exploiting him, in which corruption goes right through the entire system, in which all the rebates and things like that do not reach him or go to his help. The purchaser, the consumer, the man on the road, the man on the street, the villlager cannot purchase cloth. The entire thing is that the purchasing power of our people has gone down to such an extent that 15 metres of cloth cannot be purchased in a year by an ordinary Indian living inside the village or in the urban area. That is the crisis. Purchasing power is the crisis This is the crisis in a capitalist economy. Capitalism dies not because of a revolt of the people but because inherently it is going to die, because the producer cannot purchase because he is exploited, because his sweat and labour have been snatched away from him for nothing. That has been happening in the powerloom sector. What has happened in the powerlooms? Why are mill-owners grudging against powerlooms? Because no rules are there and persons are made to work for 12 hours. And the mill-owners will come to you just like the polyester barons, they plead and they get the concessions and every thing.

What about modernisation? For forty years the textile industry has given the basis for all the industrial growth of the private sector, from which the capital has been siphoned off and diversified. And the textile industry is made to suffer because it is not profit-making for you. So profit is the motive. It is not any other policy. That is why you are in a crisis. The crisis is deepining and you cannot solve the problems of the textile industry, the agriculturists, the handlloom workers or the mill workers who are the backbone of the industry. (*Interruptions*).

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Please allow him to conclude. It is not necessary for you to reply. You please conclude.

DR. G. VIJAYA MOHAN REDDY: I am telling you, the States under your economic system will have to revolt so as to serve their people. Do understand that. Thank you.

SHRI K. G. MAHESWARAPPA (Karnataka): Sir, the crisis in the textille industry was discussed in this House in the month of November 1987. The Minister came forward with a statement in similar terms. He starts with a note that there increase in the yarn productic crease in the cloth productic gradually if you read the st carefully, it is apparent that a serious crisis. To quote one instance accoring to him 133 mills are closed and 1,70,000 people have become jobless. But the figures are higher than what is mentioned in the Statement. Hundreds of mills are about to be closed. They have not yet come into the account of the Government. What is the progress made in this Department? Of course, the Ministry is headed by a very experience Minister. But the progress achieved is that the Minister of State has been made the Cabinet Minister. He is in charge of the Textile Ministry. It is very unfortunate.

What is the crisis? I will confine myself to the mills sector only because the handloom sector and the powerloom sector have been covered by our senior friends. I come from

an area in Karnataka where a number of mills have been closed. Everyday we are facing gheraos by the workers. No Minister can go there. No MPs can go there. The workers are on the street, hundreds and thousands of them. In a small place like Davangere city where I come from, four textile mills have been closed.

Is it the policy of the Central Government that the State Government should look afer them and make these mills viable? At least let it come forward with a policy statement that it is none of its business and that it is the business of the State Government only whether to revive the sick mills or not to revive them. Can the State take over the sick mills? What is your policy in this matter? You cannot stick on to 1985 policy and go on saying that we are producing so much yarn and so much cloth. Still industries are going sick. What is the solution?

Even in the cotton management also the Government has thoroughly failed. In 1985-86 cotton was surplus. In 1987-88 there is scarcity. You could not pay remunerative price to cotton growers in 1985-86. You could not supply yarn at a reasonable price to the textile industry in 1987-88. You have completely failed. Who is responsible for this? You were unable to pay a remunerative price in 1985-86 and failed to make cotton available to industry at a reasonable price. The unprecedented slump in 1985-86 and the runaway rise in prices during 1986-87 made a mockery of the Government's commitment in the policy. You had a commitment in your textile policy to manage the price and supply cotton. But it was a thorough failure on the part of the Government to manage the cotton prices. Therefore, the textile industry is facing a crisis.

I am not holding a brief for this industry—the mill-owners. I am interested in the large number of workers thrown to the streets. This is the biggest industry in which you can give employment to the unemployed. Therefore, has the Government, has the Minister come out with any statement except saying that they have got sums allotted for modernisation? Even the funds provided for modernisation are not being utilised. Sometimes the Government has made a statement that the sickness is because of the lack of proper management.

You wanted the State Government to take steps to retrench the workers whereever necessary. We are opposed to retrenchment of workers. Is it the policy of the Government, retrenchment of the workers to save the Textile industry? The National Textile Corporation retrenched the industrial workers, and the workers went to the Bombay High Court. The Bombay High Court held: "You had taken over all these textile mills to make them viable. You cannot throw them out." The High Court of Bombay refused permission to the NTC, your own public undertaking, to retrench the workers. So, you cannot retrench.

The private mill-owners have just closed the mills. They have run away from the place of operation. The workers are now on the street. What is the solution? As I have already submitted the policy should be that all the mills work and provide further employment potential. You must have a policy making a categorical statement that the Government is committed to ensure that all the existing mills work and that the potential of employment also increases. Come forward with that statement. Otherwise what is the purpose of having a textile policy?

Some measures were announced by the Finance Minister in his Budget speech. As I have already said nearly Rs. 360 crores worth of Budget concessions have been given and fifty per cent of those concessions, nearly Rs. 180 crores, will go to the Reliance concern. Is this the policy? How are you going to defend?? Is

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this self-reliance? Rs. 180 crores worth of concessions go to the Reliance. The man-made fibres have been given all the concessions. Why particular concessions?

As far as the modernisation of textile mill sector is concerned, I welcome the concessions given in the Budget in excise duty from 15 per cent to 5 per cent *ad valorem* reduction for purchase of machinery to provide fillip to the textile industry. At least one small measure of concession is given. I certainly welcome it.

In your poicy statement as Minister of Textiles you have not come out with any solution for reviving the sick mills. What are your measures to revive the sick mills? Is your NTC going to take some measures. The measures which you are adumbrating are not helpful. Every month the number of sick mills has been increasing. From November to this month the number of closed mills is on the increase. I would like to know whether the Government will come forward with a statement to the affect that they will take all measures to make them viable. And if you say that you are going to take over the private mills to be managed by NTC. I welcome it. During negotiations with the private mill owners at a meeting convened by the Chief Miniter of Karnataka, where I was also present, the State Government came forward to stand guarantee to bank assistance, and to suspend collection of electricity arrears, whatever arrears that were due to the State Electricity Board, if the owners came forward for opening the mills. The State Government was ready to give all possible assistance if they wanted to go ahead and start their industries. What is the solution? The State Government is ready to give whatever concessions needed revive the sick mills. The Janata Government in Karnataka is interested in reviving the mills, in Davangere and in Mysore which are closed since several months. The number of closed mills is very staggering all over the country. It is not the case of Karnataka or any one particular State. Even in Maharashtra and Gujarat they are closed. More number of mills are closed in Bengal. Thereforee my submission is—as the hon. Member has suggested—to scrap the present textile policy and come out with new radical and progressive poli to give more employment to the unemployed and to sustain the existing mills and to see that no mill is closed.

My last submission is that your Minister of State in 1983 had given an assurance in a conference of the textile mills. The then Textiles Minister, Mr. Krishna Kumar had assured that he would call a conference of the representatives of the textile industry, labour, State Governments and Central Government with regard to the sickness of the mills but the same has not taken place. He has also made a statement in Calcutta about certain funds being made available to the State Governments for rehabilitation of the workers who have been thrown out of employment.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Now, you have to conclude.

SHRI K. G. MAHESWARAPPA: This is my last point.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): I can understand, points are many but there is constraint of time also.

SHRI K. G. MAHESWARAPPA: I am told that some fund has been create to rehabilitate the workers who have been thrown out of employment in the textile inustry but that has not been utilised. May I know from the hon. Minister what is the quantum of amount given to each State for rehabilitating such workers?

I once again appeal to the hon. Minister to revise the textile policy and come out with a new textile policy.

Thank you.

SHRI M. A. BABY: Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity. I hope you will agree with me if I begin to say that the Central Government today stands totally nake when we discuss about the textile policy and in relation to its anti-people policy. Sir, whatever clothes are available today in India whether it is cotton or synthetic cannot cover up the nakedness of the Central Government in relation to its anti-people policy. The Central Government follows a naked policy which helps only the textile magnates.

Sir, I would like to preface my observation with a quotation:

> "The bones of the cotton weavers are bleaching the plains of India. The misery hardly finds a parallel in the history of commerce."

I think these two sentences can certainly express the poignant plight of those who are connected with the textile industry—those who are working in the textile industry and the plight of the people of our country also. But this is something which I have quote from a work which appeared more than 100 years ago, the first volume of the Book on Capital by Karl Marx. Again these two lines did not belong to Karl Marx in Chapter 15 of the Capital Volume No. 1 Karl Marx was quoting the report sent by the Governor-General in the year 1834-35 and he was dealing with the issue as to how the English cotton machinery produced an acute effect on the Indian textile industry. Today, I think the observation of the Governor-General still holds goos. But now this is not due to the effect of English cotton machinery but thanks to the suicidal and anti-people textile policy being pursued by the Central Government. As my earlier speakers have covered much of the ground, I do not want to go into the details. But I would like to contradict what my very respected colleague, Shri N. E. Balaram said. He said that he is disappointed with the statement of the Minister. I am wondering why he is disappointed. This is precisely the kind of a statement that a Minister belonging to this Cabinet can make. I am not at all disappointed. Sir, the question is when the whole industry is suffering from this major crisis, when people are forced to commit suicide, thanks to the cruel and unscientific policy that has been pursued all along by the Central Government, not a single mention of the gravity of the situation can be discerned from the statement that should disturb anyone. I expected that the most youthful Member of our House, Shri A. G. Kulkarni, would be strongly taking up this cause. Of course, he has argued the case well in relation to various aspects but I was expecting more being the most youthful Member of our House. (*Interruption*).

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Youthful or truthful.

SHRI RAOOF VALIULLAH: Is there any choice between the two?

SHRI M. A. BABY: In the fourth paragraph, there is a mention regarding the nodal agency set up to evolve rehabilitation packages which has examined 107 mills and has found 51 of them viable. I would like to ask the Minister a specific question in relation to this observation: why only 107 mills have been undertaken for study by this nodal agency? What happens to the remaining textile mills which are closed? We know that more than 133 mills are either closed or at the verge of being closed. Secondly, what do the Government think of the 56 mills which are not found viable? What do the Government propose to do regarding that?

[Shri M. A. Baby]

Now regarding the implementation of the textile modernisation fund scheme, only Rs. 149.56 crores have been disbursed to 64 units, Rs. 309.38 crores are yet to be given. Why such a slow pace of action on the part of the Government? This I would like to ask from the Minister. Now again in the Economic Survey for 1987-88, mention has been made about the per capita availability of cotton cloth. In 1955-56, 14.4 metres of cloth was available whereas today provisionally it has been calculated as 10.6 metres. This is very alarming situation. I know that there would be a very specious argument that now there are many varieties of durable textile items as I have been mentioning in between. But if you go to the villages and look at the conditions of people, then we will very well understand whether this is due to the availability of durable stuff or due to the kind of purchasing power that the people of our country are having today and if somebody takes recourse to the seemingly intelligent argument which is not true that since textile varieties are available today which are very durable. That is why the per capita availability statistics remain so. This is a very serious situation. Coupled with this, according to the various sources of information, more than Rs. 3000 crores worth textile stuff is being smuggled into our country every year. On the one hand we find many people who are close to the powers that be smuggling or valuable resources from our country and depositing in secret accounts outside and on the other smuggling in of textile items which is having a very adverse effect on our textile industry is also continuing. Here, we know that the nexus between the smuggler, bureaucrat and politician serves those who are doing this anti-national act. I would like to ask the hon. Minister: What exactly are the steps being taken by the Central Government to check this menace? Now, coming from a State like Kerala, I would like to mention about the plight of the handloom sector there. I do not want to elaborate that. I do know that this is a problem not only of Kerala but of many States of our country. The whole handloom industry is facing the most serious crisis and the Government is totally ignoring this serious aspect and the whole bias of the Government, as is well known and well established, is towards the textile barons. Here, I would very sincerel and earnestly request the Centra Government to shift its policy because this is something which is affecting the people of the country, something which affects the whole country. We can understand a soft corner or a strong corner that the Central Government may have with Ambanis and people like that, but the plight of the lakhs and lakhs of people, who will get affected by the crisis in the handloom sector and who are also citizens of our country, should also be take note of by the Central Governmen Many textile mills are closed Kerala. On factory, the Gwali Mavoor Rayons, has been closed some time now and all political parti and even people who do not belo to any political party at all, demanding the taking over of t Mavoor Rayons by the Central Government. The Assembly also, in fact, adopted a resolution earlier to that effect. I would like to know from the hon. Minister whether something positive is being contemplated by the Central Government.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Now you have to conclude.

SHRI M. A. BABY: I am concluding. At the time of the Assembly elections of West Bengal, Kerala and Haryana, our hon. Prime Minister went to West Bengal and made an announcement that Rs. 400 crores would be given to revive the jute industry there. We would like to know what actually has happened after that offer. How much money of this Rs. 400 crores has been given to

that State to revive this very important industry? This I would like to know. Lastly, I want to know whether the Government is considering the feasibility of nationalising at least the cotton textile industry because most of the people buy cotton textiles and if this industry is totally handed over to or allowed to be dominated by the private sector, this kind of things —the per capita availability of cotton textile coming down and all that—will continue. This is of utmost, serious importance. Earlier we had the campaign "wear khadi' and all that. Instead of that, today, I do not know whether we may have to say 'beware of khadi'. Our effort should be to inculcate an idea, a feeling, to wear indigenous textile goods. This effort should be there. I do not want to apply it to all aspects of life that it should be indigenous only. That depends upon one's personal infatuation and interest. While concluding I reiterate my request for nationalisation of the cotton textile industry as well as jute industry. With these words I conclude.

SHRI CHIMANBHAI MEHTA (Gujarat): Mr. Vice-Chairman, first of all I would like to put down a few points of action and then I will try to elaborate the points. My predecessor speaker has talked about nationalisation. I agree with that suggestion. Therefore, I say, first make our NTC units efficient; they should not make losses; and then go forward for nationalising the entire textile industry. That is a very useful suggestion. Making the existing units efficient is the first condition; otherwise, the slogan will be an empty slogan.

The second point, lately, since the last one month I have been watching that smugglers' lobby has become very active and has found a place in the national press also. Our Finance Ministry and Textile Ministry took important steps reducing certain taxes and saw to it that the benefits of it are passed on to the consumer of intermediate industries. For polyester filament yarn or polyester staple fibre, some State undertakings are also there and they have reduced the price commensurate with the benefits announced and, therefore, the prices of the final commodities of textiles should come down by 8 to 17 per cent. Therefore, the smugglers are very much afraid that if this trend continue, they will suffer. The smugglers have started making a joke about the concessions given to the right place.

I know when we were fighting for freedom the British Communist Party was saying that Mahatma Gandhi was an agent of Indian capitalists. Now they have changed and understood this pseudo-leftist talk about it. When a concession is given to a right cause and when it passes to the consumer how one can talk of benefiting monopolists, we must understand how acute the crisis is and what more concessions are required. It has been rightly suggested here that Rs. 3,000 worth foreign textile is being smuggled into our country. If you produce 200 crore metre cloth for that amount, in our country, we can give jobs to 4 lakhs in an organised textile industry and to 6 lakh in powerloom sector. Government should work out a line of preventing smuggling which can only be done in one way. Have a price for the local fabric in competition with the smuggled fabrics. There is no other way. We have got 5600 kms of sea-coast and long land frontier Pakistan is selling goods in our consumer market at half of our price. Tax on Polyester filament yarn in Pakistan is just Rs. 5. Now after reduction of tax our commodity duty remains at Rs. 53. There the consumption of manmade fabrics is 700 gms. per capita. In India it is 105 gms. per capita. Smuggled goods are coming in from everywhere, from Bangladesh, Nepal also. They are pouring in. And, Sir, from various places smuggled textiles are coming.

But some people say that this is the cloth of the rich people. Well, because it is like silk, it may look like that, it

[Shri Chimanbhai Mehta]

may look like the cloth of the rich people. But I would tell you on the basis of authentic documents and surveys done by experts what the reality is. What exactly is the reality? There is a Consumer Purchase Survey by the **Textile Committee**, Bombay. The Committee has made the observation that the "man-made fabrics are no longer fabrics for the affluent class, but millions of poor people in the country are also using the man-made fabrics in spite of their high cost." It is because they are durable and, in the long run, become cheaper. Therefore, the people go in for this sort of textiles. Now, the question is that when the people have already preferred this commodity and when there is a large-scale smuggling, what is to be done. I heard in the morning some people talking about bogy of smuggling. I do not know for whom they were speaking. Smuggling is a reality and if you want to understand it, you have to ask the Finance Minister because he has mentioned about smuggling twice or thrice in his Budget speech. Do not forget that there is large-scale smuggling and do no forget that smugglers are anti-national. You must know that from Pakistan alone yarn worth about rupees hundreds crores and also fabrics are smuggled into the country through the so-called terrorists. At least understand that when Mahatmaji was fighting for freedom, he was not fighting only for the growth of the textile industry in India or some local industry. He was fighting for the millions and millions of our people only. But the pseudo-leftists do not know how to make a proper analysis and they always attack the Government saying that it is pro-rich or pro-vested interests. At least today that is what we have heard. They launch a wholesale attack on the Congress Government even if they do something good. We are also with them on some points. But what about smugglers? What about smuggling? Is it not a big crime? The Director of Revenue Intelligence has said in his report—this is an authentic report—because they are trying to prevent smuggling, how difficult it is for them to do that. They say:

> "The rate of import duty on man-made fabric and yarn is very low in Bangladesh and the rate of synthetic yarn is very low in Nepal with the result that the same is deflected in India."

Our taxes, as you know, even after the recent reduction—how high they are, you know some people will ask for further reduction. I will give you one or two examples and this is a question of facts. I am not mentioning my views; these are only facts. The price of polyester staple fabric before the budget was Rs. 70/- per kg. and the post-budget price, after Rs. 10/- is deducted, comes to Rs. 60/-. But, in Pakistan, it is available at Rs. 30/-. In India the duty on polyester staple fibre has come down from Rs. 25/- to Rs. 15/- while in Pakistan it is only Rs. 1.88.' In the case of polyester filament yarn, we had a pre-budget price of Rs. 163/-. Now, there is a reduction and, so, it should be around Rs. 140/-. But, in Pakistan, the price is just Rs. 36/-. The polyester filament yarn Excise Duty in India was Rs. 84. Fortunately, the Finance Minister, on the advice of the Textile Ministry, reduced it to Rs. 53/-. But, in Pakistan, it is only Rs. 5/- per kg. In India in 1961 it was only Rs. 3.35. But the duty went up to Rs. 84. Now it is being reduced. And then you attack this Government as pro-monopolists. I do not want to use the same adjective for you. Whom are you helping? Are you helping the smugglers who are creating problems here. They have their lobby. I do not say that you are speaking on behalf of that lobby. You are speaking innocently. I know some of you. But then when the Government tries to defend the Indian textile industry, you launch an attack as if it is a pro-monopolist Government. On other counts

you can speak. But this was not the occasion for you. You have not understood it seriously. Three days back thousands of textile workers belonging to the Congress camp in the fold of the INTUC marched from India Gate to Boat Club to demonstrate; against whom? You must realise that. They did not belong to anybody's lobby. But they have said precisely this. What do they demand? Opening of the mills. And also they say this after a serious study. Some of you might not have studied it. They have studied. They also said that large-scale smuggling of cloth worth about Rs. 3000 crores a year is depriving the Indian textile industry and such vast domestic market.

SHRI ATAL BIHARI VAJPAYEE (Madhya Pradesh): This is an exaggeration. It cannot be 3000 crores.

SHRI CHIMANBHAI MEHTA: This should be effectively pluged. It will help our industry to a great extent. You have to compare the prices. If the price is also high, then what is going to be the result? You are saying that politicians, bureaucrats and smugglers have a nexus. How are they going to protect the border from smugglers? Only by fiscal price resort it is possible. And this is the right thing the Government has done. Take Pakistan. (*Time Bell rings*)

U.S.A. is a very rich and affluent country. There the price of polyester or synthetic goods is just 30 percent compared to our country. Take Germany. Take Japan. What are the wages we are paying to our labour? Rs. 2000 to Rs. 2200 per month. In U.S.A. they are paying Rs. 34,000 per month. In Japan Rs. 36,000. In Germany Rs. 37,000 per month. On cheap labour we are pertially standing on our own legs. It is this cheap labour that has helped.

Now, we request the Government that the entire industry has to be properly revamped. About evasion of tax, the National Institute of Public Finance and Policy Institute in 1985 observed that large-scale smuggling is taking place because of the very high excise on our textiles. Just two years back did they know that the Finance Minister is going to reduce it? Then, in the National Textile Policy Statement which it was announced two years ago in 1985, there was also a paragraph that the price structure should be revised and it should be reduced progressively, so that synthetic textile is available at a cheaper rate to the masses. Knock off this idea that polyster is rich man's cloth. It is easier to say that because it looks silky and it is being posed as a piece of the affluent class. It is being used by the middle class.

And now the same speakers are using double argument. They say that because they are affluent, they are wearing cotton. I know it. Cotton is much more costlier in the long run. So cotton cloth is a cloth of the rich people in the West. In India it is because we do not have other available things we use cotton. Secondly, why are you talking of cotton interest? When you talk of the cotton interest, in the same breath you talk of cotton producers' interest. Has the cotton producer ever asked.. (*Time Bel lrings*) for restriction on exports of cotton?

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Please conclude now. I have given you five minutes more.

SHRI CHIMANBHAI MEHTA: Cotton producers are demanding more export of cotton to other countries. I have reasoned on behalf of cotton producers and agriculturists that the Government should not restrict cotton export. But the moment cotton is exported, immediately the mill-owners' lobby comes out and demands to stop the export of cotton. The prices are rising of cotton — this is the theme. Is the farmer not supposed to have a remunerative price? When we say that the Government should come out and help the farmers by exporting cotton, they come out and ask what would happen to the mills if cotton is exported. This is double talk. There is no conflict between cotton and synthetics. You consume as much cotton as you want and also substi-

[Shri Chimanbhai Mehta]

tute it by synthetic wherever it is possible. The land is limited. But synthetic production is not limited. Our cotton production is stagnating at 95 lakh bales. During a bumper crop the production may be above 100 lakh bales. Therefore, don't hit the cotton producers.

You want yarn for the powerloom sector which is evading taxes all the time. Thousands of powerlooms are there. When we ask you to stop evasion, you change tax on it from *ad valorem* to specific and then mix up cloth. Thousands of powerlooms are producing fabric and they evade taxes. Yarn producers are not so big in number. You impose duty on yarn. I know that there are hundreds of small and medium fabric processing units. They should get excise relief but evasion must be stopped. We should get a minimum of Rs. 1000 crores of rupees whereas we are getting only Rs. 400 crores from fabric excise. You put specific duty or *ad valorem* duty or both. Why not put a single-point tax on yarn so that nobody can escape it? Whom are you defending? The smugglers are being defended. We have reached such a stage. I have heard a strange thing. Some people say: "What is wrong if smuggled yarn comes from foreign countries?" But what about 3000 crores of rupees worth of foreign exchange? What about the jobs that we lose? You have taken up only one job and that is to hit the Finance Minister. You should be more scientific. This reduction of duty on filament yarn is not going to help because there is a difference of 42 per cent to 72 per cent between the local price and the price of smuggled goods. Our prices are higher as compared to the smuggled prices by 42 per cent to 72 per cent. You can say that the customs officers on the border should be strict. How many lakh customs officers do you want? Why don't you go in for an alternative of fiscal measures and earn more? You will get a revenue of Rs. 1200 crores of rupees on more production on prevention of smuggled goods. Let us give more benefits to concerned sectors of economy. The money will remain in India and there will be more production. If the Minister has given concessions of Rs. 180 crores, let him give more concessions. It will remain in India. We will bring much more revenue by producing more cloth. Our industry will prosper. And the smugglers' lobby that is operating in India, finding a place in the national press through Editors, would suffer. Those who shout against Mr. Rajiv Gandhi about his Lakshdweep visit, about Bofors, to them we can also expose who the people in the pay of smugglers. And they are writing for them and, therefore, they are writing against the present Budget and the Ministry.

Thank you very much, Sir.

SHRI RAOOF VALIULLAH: Mr. Vice-Chairman, Sir, the textile industry in the country is passing through a deep crisis and a number of mills are closing down in all parts of the country. Sir, as far as Gujarat is concerned, the textile industry has been the mainstay of its economy and the deepening crisis in this industry with consequent closures of manufacturing industry is bound to have serious repercussions on the economy of the State and the country as a whole. Sir, the State Government, as the various other State Governments in the country, are doing all they can to help the mills which are in difficulty. But some of the issues which are pending with the Government of India are to be solved at the level of the Ministry of Textiles.

Sir, the total number of closed textile mills in Gujarat now stands at 25. About 40,000 workers have become unemployed, most of them in the Ahmedabad city. With a view to alleviating the suffering of the textile workers rendered jobless, the Government of India had announced the Textile Workers' Rehabilitation Fund Scheme under which 75 per cent of the last wages are payable to jobless workers in the first year, 50 per cent in the second year, and 25 per cent in the third year after the applicability of the Scheme. Sir, in order that a textile unit becomes eligible under the Scheme, permission for closure by the State Government under Section 25 (o) of the Industrial Disputes Act became necessary. Sir, representa-

tives of trade unions have strongly opposed the issue of orders under this Section and as a result the Scheme which was meant for the workers have still not taken off. With a view, however, to see that jobless textile workers derive benefit under TWRFS, it is suggested by many State Governments that where liquidation proceedings have commenced in the High Court, TWRFS should be made applicable. The thrust of this argument is at liquidation is a stage subsequent to the permission under Section 25(o) of the Industrial Disputes Act and, therefore, the benefits available under the said Section 25(o) should obviously be made available when a later stage is reached. However, the Government of India have not taken a decision in this matter. And I would, therefore, request the hon. Minister to take an immediate decision whether the State Governments which have put forward these views and suggestions are to be made applicable.

Sir, another thing is to extend to the TWRF Scheme to cases of partial closures also. Sir, under the present scheme, TWRFS contemplates grant of relief only when the entire textile unit is closed. Sir, about a year ago the Gujarat Government had pleaded with the Textile Ministry, and I think they were partially convinced also, that this should be applicable to partially closed units too. Sir, this would mean that an obsolete weaving section may be closed down instead of the entire mill but the Government of India has yet to take a decision in this matter and I would therefore request the hon. Minister to see whether this can also remedy the situation.

Sir, the talk of more capital to the industry, the sick industry in textile has also been coming up again and again. Sir, the Reserve Bank of India has on July 7, 1987, issued guidelines for revision in inventory norms while computing the working capital requirements of the textile units. This relaxation has come at a juncture when there is virtually total erosion of margins and banks are deeply hesitant to increase their exposure in the textile sector. Sir, only yesterday I was given an answer in this House. It is shocking that the number of sick industrial units in the textile industry in December 1985 was 173 and involving an amount of Rs. 1046.85 crores. Sir, this has increased by December 1986 and the number of sick textile units is 191 involving an amount of Rs. 1118.04 crores.

Sir, this is the state of affairs and here I would like to suggest that a small committee, I think Mr. Mirdha, when he visited Ahmedabad in a textile conference, agreed with a suggestion that if the textile crisis has to be managed effectively, be set up, because otherwise more and more textile mills in all cities of this country will be closed down and workers thrown on the street. Sir, a small committee comprising of trade leaders, bankers, economists and officials can thrash out this issue and in the meantime Sir, the Board for Industrial and Financial Reconstruction should take prompt action in case of sick mills, such as appointing sepecial directors in case of mismanagement and debarring the mismanaged companies and all other units of the same company from credit facilities for at least ten years.

Sir, in Ahmedabad the siphoning of the capital has been on the increase and, therefore, I strongly plead that this should be applied to all such units which are playing tricks with the Union Government.

Sir, I would now come to the aspect of cotton production in this country.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): That will be the last point.

SHRI RAOOF VALIULLAH: Yes, Sir, last point.

Sir, I want to draw the attention of the Hon. Minister to the meeting of the Cotton Advisory Board which took place on February 11 this year under the chairmanship of the Textile Commissioner, which drew up a cotton balance sheet and this balance sheet stated that the opening balance on September, 1 1987

[Shri Raoof Valiullah]

was 20: lakh bales and the production for the year 1987-88 was 87 lakh bales, and therefore the total supply was 107 lakh bales. As against this the balance sheet stated that the total consumption was 100 lakh bales. Therefore, the closing balance on 31st August, 1988 would be 7 lakh bales. Sir, now this is the point. The mill consumption, therefore, with this balance sheet, it is very clear, is declining. And, therefore, I do not understand why the Union Government has permitted import of cotton under advance licensing against export of yarn and fabrics. The textile industry has already contracted for 2.5 lakh bales to import and the total import is likely to touch 10 lakh bales. This import has not been shown in the balance sheet which was presented by the Cotton Advisory Board.

Sir, I would only like to emphasize one thing that nothing should be done at the cost of the farmers of this country. Last year when there was bumper crop, the mills were closing. This year when there is a hue and cry from the mill-owners' lobby that there is a shortfall in the cotton production, even then the mills are closing. Therefore, this view has to be taken in the overall interest of the farmer of this country.

Therefore, Sir, I would like to request the hon. Minister to see that the entire gamut of the textile policy has to be viewed in this light and I would strongly plead that the textile policy must be changed for the benefit of the cotton growers, of the farmers and of the consumers, for the jobless workers who are now thrown out on the streets.

श्री शंकर सिंह बाघेला (गुजरात) : वाइस चेयरमैन साहब, टेक्सटाइल उद्योग का हमारे देश में बहुत पुराना इतिहास है । इस इतिहास के साथ जो जो शासक आये सब शासकों ने इस उद्योग का गला घोंटने में कसर नहीं छोड़ी । आप याद करें सूती मलमल ढाका में बनती थी । मुगलों ने उनके अंगूठे को काट दिया और अंग्रेजों ने उनकी कलाई काट दी, हाथ काट दिये । 40 साल के शासन में ये शासक इन लोगों को बराबर मार रहे हैं । अगर ये नहीं मरते तो आन्ध्र प्रदेश के कॉटन ग्रोअर्स, हमारे किसानों पर आघात नहीं पड़ता । काटन ग्रोअर्स की स्थिति यह है कि वह चिन्ता में है कि वे काटन ग्रो करें या न करें । इसी चिन्ता में वे मर जाना पसन्द करते हैं बजाय जीने के । महात्मा गांधी ने इस उद्योग को ठीक करने के लिए खादी का इस्तेमाल किया था । महात्मा गांधी के खादी वस्त्रों को छोड़कर जो राजीव गांधी के जमाने के राजीव वस्त्र हैं उनको प्रोत्साहन दिया जा रहा है । क्या कांग्रेस प्रेजीडेंट की तरफ से ऐसा कोई आदेश है कि हर कार्यकर्ता खादी पहनेगा ? कितने लोग खादी को जिंदा रखने की कोशिश कर रहे हैं ? आपकी जो टेक्सटाइल पालिसी है उसका कोई रिजल्ट नहीं आता, कोई परिणाम नहीं आता और इसीलिए आपकी पालिसी से, आपके निर्णय से, आपकी नीति से खराब असर पड़ रहा है । अभी हमारे गुजरात के साथी ने बताया कि कितने ही लोग बेकार हैं पूरे देश में । जो हमारी बेकार बहनें हैं वे बेकारी के कारण आज वेश्या बन गयी हैं । बेकार मजदूर बेकारी के गम में पागल बन जाता है और पागल आदमी के कई केस ऐसे सामने आये हैं कि उसने सुसाइड कर लिया है । हमारे अहमदाबाद में ऐसा हुआ है । बेकारी के कारण उनको सुसाइड करना पड़ा है । मेरा यह कहना है कि जो मरते हैं उनके परिवारों की चिन्ता करो । एक-एक शहर में 10 हजार से 50 हजार अनएम्पलायमेंट है । फैमिली का जो मेन आदमी है उसके ऊपर डिपेंडेंट 4 या 5 लोग जो हैं क्या आपने उनकी चिन्ता की है ? आप फिर से गलत टैक्सटाइल पालिसी लादकर उनको परेशान करने की कोशिश कर रहे हैं । आपने बजट में कहा कि कुछ एक्साइज ड्यूटी कम की है । हमारा पापड़ उद्योग सिर्फ भारत देश का नहीं है बल्कि अन्तर्राष्ट्रीय स्तर पर इसका कम्पीटीशन होता है । आप कितनी ही कोशिश करें स्मगलिंग रोकने की

अगर आप अपने समुद्र के किनारे और बार्डर को ठीक ढंग से कन्ट्रोल नहीं करते तो आप स्मगलिंग को नहीं रोक सकते । अर्थ शास्त्र का जो नियम है कि अगर रा-मैटिरियल जिससे चीजें बनती हैं अगर वे दूसरे देशों में सस्ती हैं और यहां महंगी हैं तो सस्ती चीज अपने आप स्मगलिंग के रास्ते से दूसरे देशों मे जायेंगी ही । हमारे यहां यह है कि आपका रा-मटिरियल महंगा है । आप जानते हैं कि रा-मेटिरियल स्मगल होकर आता है । अगर आप रा-मेटिरियल सस्ता करना चाहते हैं तो आपको स्मगलिंग रोकना पड़ेगा । मंत्री जी यहां पर अभी पोलिटिकल स्पीच दे देंगे । मैं आपको याद दिलाना चाहता हूं कि पिछले बार जब प्रधान मंत्री जी चुनावों के सिलसिले में अहमदाबाद गये थे तो उन्होंने मजदूरों से कहा था कि आपको चिन्ता करने की जरूरत नहीं है, सब सिक मिलों को नेशनलाइज कर दिया जाएगा और वे इनको नेशनलाइज करने की कोशिश करेंगे । इसके बाद वे चुनाव जीत गये । आज उनको चार साल हो गये हैं क्या इन बन्द मिलों को चालू करने या इनको सरकार ने अपने हाथ में लेने की कोशिश की है ? वहां पर हजारों मजदूर बेकार पड़े हुए हैं । इन बन्द मिलों को फिर से चलाने के लिए और मजदूरों की समस्याओं को हल करने के लिए अभी तक कोई कंक्रीट सोल्यूशन नहीं निकाला गया है । अभी स्थिति यह है कि मिल-मालिक मिलों को सिक घोषित कर देते हैं । लेकिन अगर आप उनके दूसरे कारखानों की तरफ देखें, केमिकल्स कारखानों की तरफ देखें तो आपको पता चलेगा कि वे फायदे में चल रही हैं । जब केमिकल्स के कारखानें फायदे में चल सकते हैं तो कपड़ा मिलें क्यों फायदे में नहीं चल सकती हैं ? इसका कारण यह है कि जितनी भी मशीनें होती हैं या जो पैसा होता है वह दूसरी तरफ डाइवर्ट कर दिया जाता है । बैंकों से भी इन यूनिट्स को लोन मिलता है, लेकिन फिर भी वे घाटे में चल रहे हैं । गुजरात के अन्दर टैक्सटाइल में तीन सौ करोड़ का घाटा चल रहा है । आप पैसा तो देते हैं, लेकिन वह पैसा कहां चला जाता है, इसको नहीं देखा जाता है । इसमें मिल-मालिकों की मिलीभगत होती है । वे पैसे को दूसरी तरफ डाइवर्ट कर देते हैं । इसलिए मेरा कहना यह है कि जिस मिल-मालिक के पास कैमिकल्स की फैक्टरी है या उसका दूसरा बिजनैस है, उसके साथ इन सिक यूनिट्स को देखा जाना चाहिए और दोनों को मिलाकर नफा या नुकसान देखा जाना चाहिए । इसके अलावा आपके पास कोई दूसरा रास्ता नहीं है कि आप यह देखें कि मिल मालिकों की दूसरी इंडस्ट्रीज क्यों फायदे में चल रही हैं और अगर वे फायदे मे चल रही हैं तो आप कपड़ा मिल को भी उसमें शामिल कीजिये ।

इसके अलावा मैं यह भी सुझाव देना चाहता हूं कि पावर लूम में, हैण्ड-लूम में और दूसरी मिलों में जो कपड़ा तैयार किया जाता है उसके लिए रिजर्वेशन किया जाना चाहिए । आप यह स्पष्ट कर दीजिये कि पावर लूम में ये कपड़ा तैयार होगा और हथकरघे में दूसरा कपड़ा तैयार होगा । एक ही प्रकार का कपड़ा दो जगहों पर तैयार नहीं किया जाना चाहिये । इसके लिए आपको रिजर्वेशन करा देना चाहिए कि फलां कपड़ा मिल मे पैदा होगा और फलां कपड़ा हथकरघे मे पैदा होगा ।

दूसरी बात मैं यह कहना चाहता हूं कि इस इंडस्ट्री को साइंटिफिक ढंग से आगे बढ़ाया जाना चाहिए और जो पुरानी मशीनें हैं उनके स्थान पर नई मशीनें लगाई जानी चाहिए और इन मशीनों की इम्प्लोइज को ट्रेनिंग दी जानी चाहिए । अगर आप नई टेक्नोलोजी के हिसाब से उत्पादन करेंगे तो इन मिलों की हालत मे काफी सुधार हो सकता है । आपको इस बात का भी डिमारकेशन करना होगा कि छोटे-छोटे कोआपरेटिव के माध्यम से मिलें चलाई जायें । आप कोआपरेटिव को काफी कंसेशन भी देते हैं, लेकिन अगर आप अधिक से अधिक कोआपरेटिव बनाएंगे तो उनसे ज्यादा लाभ मिल सकता है ।

[श्री शंकर सिंह वाघेला]

इसके अलावा मैं आपका ध्यान इस बात की तरफ भी दिलाना चाहता हूं कि इन सिक यूनिट्स में जो बोर्ड आफ डायरेक्टर्स होते है उनमें ऐसे नामिनी होने चाहिए जो पूरे हिसाब-किताब को देख सकें । गवर्नमेंट की ओर से जो नामिनी हों वे सारे पैसे को देखे कि वह कैसे खर्च किया गया है । उनके ऊपर यह जिम्मेवारी होनी चाहिए कि मिल घाटे में क्यों चल रही है, इसको वे देखें । लौस के बारे मे चिन्ता करें और सुझाव दें कि उस घाटे को कैसे पूरा किया जा सकता है । उनकी पूरी भागेदारी मिल के अन्दर होनी चाहिए । आपको इन मिलों के साथ दूसरी इंडस्ट्रीज को मर्ज करना चाहिए । जो प्रोफिट मेकिंग यूनिट्स है उनको इन मिलों के साथ मिलाया जाना चाहिए । एन. टी. सी. की जो यूनिट्स हैं उनके साथ आप दूसरी यूनिट्स को भी जोड़िये । जो यूनिट्स प्रोफिट में चलती हैं उनको आप इन मिलों के साथ मिलाइये । तो यह अच्छा होगा, वे बीमार नहीं पड़ेंगी और वे अपनी एफिसियेंसी से सिक यूनिट को अपने लेवल पर ले जायेंगे । अगर आप ब्यूरोक्रेट्स के ऊपर सीधा छोड़ेंगे तो जैसे गुजरात के ब्यूरोक्रेट्स हैं, एक चीज जो वहां मिलती है वह पंजाब से मंगवाते हैं । जब एक चीज उस जगह एवेलेबल है, वह कैमिकल वहां मिलता है तो फिर क्यों दूसरी जगह से उसको मंगाते हैं ? उसमें उनका कमीशन और हिस्सेदारी होती है । ऐसे अफसर जो इस तरह की परचेजिंग करते हैं उसमें उनकी भागीदारी होती है और ऐसे आफिसर इन टैक्सटाइल यूनिट्स में हैं । इसके कारण वह पर्टिक्यूलर इंडस्ट्री लास में जाती है ।

महोदय, आखिर मैं एक बात कहना चाहता हूं । आपका इंडस्ट्रियल डिस्प्यूट ऐक्ट जो है उसकी क्लाज 25 के अनुसार मिल ओनर्स ने क्या अपनी यूनिट्स को बन्द करने की परमीशन ली है ? अगर नहीं ली है तो आप ऐसा किस आधार पर मानते हैं ? जब इंडस्ट्रियल ऐक्ट आपके पास है तो आप इसमें स्ट्रांग क्यों नहीं बनाते किस हिसाब से बिना परमीशन के वे अपना धंधा बन्द कर सकते हैं ? वे इसको बन्द नहीं कर सकते हैं । इस बारे में आपको बहुत स्ट्रांग रहना चाहिए । स्ट्रांग रहने से असर पड़ता है । अगर गवर्नमेंट इस ओर ऐक्टिव रहेगी तो मिल ओनर्स इस ओर नरम बनेंगे ।

आखिर में . . .

उपसभाध्यक्ष (डा० बापू कालदाते) : आखिरी, आखिरी ही होना चाहिए ।

श्री शंकर सिंह वाघेला : रूल टु वर्क हर मजदूर को इसका अधिकार है । मैं चाहता हूं कि मजदूरों की सिर्फ भागीदारी प्रोफिट में ही न हो । ऐसा भी आप करिये कि हर जगह लास में भी उनकी भागीदारी हो कुछ हद तक । इस बारे में भी कोई चीज ऐड करिये । अभी भी उनकी जो प्रोपर्टी बची है इंडस्ट्री की उसको बेचकर उस मिल के मजदूरों को लोन दे दीजिये और इसके लिये साइंटिफिक शोध करें और शोध करने के पश्चात् इनके अच्छे हथकरघा के साधन दिये जाये ताकि वे अपने पैरों पर खड़े हो सकें ।

टैक्सटाइल को ध्यान में रखते हुए एक ऐसे कमीशन का गठन कीजिये जो विवियन बोस कमीशन जैसा हो । क्या ऐसा कोई कमीशन आप स्वीकार करेंगे ? वह कमीशन इस बात को देखे कि कितने पैसे उस यूनिट को दिये, कितने मजदूर इम्प्लाइड हुए, इस यूनिट के मालिक ने और कितनी डिसडियरी यूनिट्स चालू की है, कितने आफिसर तीन सालों से इसके साथ अटैच है, उन आफिसर्स की प्रापर्टी कल क्या थी और आज क्या है इसकी जानकारी करे । इसके साथ ही जो सिक यूनिट है उसको जिन्दा रखने या मार डालने का क्या रास्ता निकाला जाये यह भी देखे । सिक सिक के ऊपर आप स्पून फीडिंग कराते रहेंगे, पैसा देते रहेंगे, लोगों का पैसा जाता है केवल इससे काम नहीं होगा । उस यूनिट को आप आगे बढ़ाना चाहते है या डाइवर्ट करके उसको चलाना है इस पर वह निर्णय करे । टैक्सटाइल पालिसी में क्या फर्क आना चाहिए । वहां पर मजदूरों को रोजी मिले, इंडस्ट्री अच्छी चले और टैक्सटाइल पालिसी के मार्गदर्शन के रूप में उसकी सिफारिशों को स्वीकार करना चाहिए ।

आखिर में, हमारे प्रधान मंत्री जी डांडी कूच के लिये अहमदाबाद आ रहे हैं 12 मार्च को। हम वहां पर जितने भी बेकार मजदूर हैं उनके हाथ में थाली और कटोरी होगी और वे कहेंगे कि हमको खाना दीजिये या रोजी दीजिये। ये चीजें लेकर वे खुद वहां जाने वाले हैं और वे प्रधान मंत्री से कहने वाले हैं कि आप जब चार साल पहले आये थे तब आपने मजदूरों को कहा था कि मैं आपकी रोजी की चिन्ता करूंगा आपके के लिये मिलें चालू करवाऊंगा। तो 12 मार्च को ये उनके पास जाने वाले हैं। इसलिये मैं मंत्री महोदय से कहूंगा कि आप उनसे कहे कि वे वहां पर हमको आश्वासन दें और बेकार मजदूरों की स्थिति को ध्यान में रखते हुए टैक्सटाइल पालिसी के अन्तर्गत कमीशन का गठन करे तभी इस काम में हम सफल हो सकते हैं। धन्यवाद।

SHRI V. GOPALSAMY: Mr. Vice-Chairman, Sir, the textile policy of this Government has landed all the sectors concerned with textiles into deep trouble.

[The Vice-Chairman (Shri Jagesh Desai) in the Chair].

The handlom sector is totally paralysed. The powerloom sector is also paralysed. We need not say about the plight of the cotton growers.

Who has been rewarded? My esteemed friend, Mr. Kulkarni, highlighted the duty concessions availed of by one industrial house of Bombay. Even in the statement it has been mentioned:

> "... the duty on polyester stable fibre is being reduced from Rs. 25 to Rs. 15 per kg; on polyester filament yarn from Rs. 83.75 to Rs. 53.75 per kg., and on nylon filament yarn from Rs. 70 to Rs. 40 per kg."

With one stroke, with one announcement in the Budget, this particular industrial house of Bombay — Reliance — is getting Rs. 170 crores as a bonus. For what? It is because of the alleged donations to the ruling party to face the elections in the North East to fight the Marxists in Tripura, to fight the Opposition in Meghalaya, not only with military power, but also with money power? For what reasons has this particular industrial House—Reliance — been donated or rewarded with Rs. 170 crores, when millions and millions of weavers are shedding tears in the streets marching towards the Government to get justice for them? Mr. Gandhi — not this Gandhi, not today's Gandhi, but the Father of the Nation, Mahatma Gandhi — described the plight of the weavers like this:

> "Bones of weavers are bleaching the plains of India."

Today it is very tragic to see the plight of the weavers. It is mentioned in the Statement:

> "The excise duty on cotton yarn above 35 counts is being reduced by 3 paise per count."

So, one industrial house, with some other industrial houses...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You can keep it for the Budget discussion.

SHRI V. GOPALSAMY: It is more relevent with the textile policy. Therefore, these industrial houses decided the policies of the Government, the approach of the Budget. A large number of handloom societies in my State, Tamil Nadu, have already been closed. Lakhs and lakhs of weavers today are struggling to earn their bread to get even one square meal for members of their families. Millions depend on these workers who have become jobless.

In the Statement it is mentioned that the State Governments have been asked to coordinate measures to arrange supply of yarn to the handloom sector. In order to tackle problems on account of poor off-take of handloom cloth, NABARD has issued instructions that credit limits may be sanctioned upto 75 per cent of the anticipated sales. I would like to know from the hon. Minister what has this Government achieved through this NABARD scheme to help the handloom sector? What is your achievement? As far as my

[Shri V. Gopalsamy]

knowledge goes in my State this NABARD scheme did not take off because a ceiling was announced. They fixed a limits upto five loans. That is if somebody wants to get assistance through this NABARD scheme only those who have got the maximum number of loans should be five. So, nobody got assistance. Unless you take steps on a war footing, you cannot rescue the weavers. The price of the yarn cannot go near the reach of the weavers. It has gone sky-high. In the powerloom sector also there is the same problem.

Rural powerlooms have played a significant role in the textile field by providing employment for millions of weavers and allied workers next to agriculture and handlooms. Only because of the contribution of these powerlooms the common public were able to get their clothes at affordable prices in acceptable uality of cotton fabrics. Persistent hike in yarn prices coupled with speculation, hoarding and fluctuations in the past one year have totally dislocated the rural powerlooms rendering millions and millions of weavers unemployed. The decentralised powerloom sector units have been paralysed since the capital provision has been totally eroded by the hike in yarn prices.

I would like to make a suggestion to the hon. Minister that the dealers of the textile mills should be compelled to display the Stock Boards with price-list for every count. This will eliminate the fictitious dealers, profiteers and hoarders. Even the mills also should be compelled to display the Stock Boards.

It seems that a delegation from the All India Powerloom Federation has come and Members of Parliament cutting across party lines have endorsed their representation. I understand that representation is being handed over to the hon. Prime Minister of India either today or tomorrow and they are also going to meet our hon. Minister, Mr. Mirdha. They are having some of the demands and I would appeal to the hon. Minister to consider those demands (1) Sponsor Textile Corporation of India in the form of Food Corporation of India. (2) They want to promote Texco Board statutory body similar to Coffee Board, Tea Board for powerloom, textile development, marketing and financing. (3) They want to have raw material yarn bank for the regular supply of raw materials for their rural powerloom sector.

Sir, I do not want to dwell on those points which have already been narrated by the previous speakers. But, Sir, today the fate of the cotton growers is really very pathetic. When the news broke out over the suicide committed by the cotton growers, it sent shock waves throughout the country. Men and women at a tender age have committed suicide. Of course, millions of farmers in this country are also on the verge of desperation. Many of the women in Southern States—Andhra Pradesh and Tamil Nadu, have pledged their jewellery including "mangalsutras" to the bank. If you want to help and protect the cotton growers why don't you come to a conclusion and a decision to write off their debts and why not announce a moratorium because they have been terribly affected by the continuous drought? The pesticides which they use happen to be spurious and due to desperation they consume the pesticides themselves and commit suicide. Therefore, Sir, come to a conclusion and write off their debts. Only a small number of growers this have got this rice. I know that only a negligible number of cotton growers have got this price because of the price hike. But even then with the profit which they have achieved this year they are unable to pay the interest on loan to the banks and the cooperative societies and the benefit does not reach the doors of the farmers because the hoarders and the traders like parasites are sucking the blood of the farmers. Therefore, Sir, the Texile Policy of the Government of India has disappointed and landed all sectors in distress and anger. The only beneficiaries are the industrial houses, one particular industrial house of Bombay which is pouring into the coffers of the Treasury Benches or the ruling party. Therefore, Sir, I would like to request the Minister to review the policy because

Shri Raoof Valiullah also appealed to this Government to review the Textile Policy Thank you, Sir.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Mr. Vice-Chairman, Sir, the hon. Minister has made a statement in this House that the production of cloth is estimated at 9744 million metres as against 9613 million metres produced during the corresponding period of last year. He has further stated that he total yarn production increased from 382 million kgs. during 1985-86 to 1526 million kgs. during 1986-87. From these figures it appears that the health of the textile industry is not so bad. But the Minister also admits in his statement that he has received representations from all sectors about the position of the textile industry in general. I would like to know from him, if our production has increased, why is the state of affairs of our industry in such a bad shape? Is it because of the exports? Is it that we have allowed exports to take place and there has been a quantum jumps in export of cotton cloth during the last year? I would like to know what were the figures of export of cloth and yarn during the year 1985-86 and what were the figures in 1987-88? Why I say this, Mr. Vice-Chairman, Sir, is that if the exports have risen high and if that is taken out from the corresponding period in the previous year, then to my mind, the figure is lesser and it is not more as given out here. I would like to know from the hon. Minister about this.

The second point that I want to make is that the Ministry of Textiles is the god father of the Textile industry and I know, Shri Ram Niwas Mirdha had taken personal interest in taking up the matter with the Finance Minister and he has been able to get sizeable concessions as he has mentioned in paragraph 6 of the statement in relation to reduction of customs duty and excise duty. Now as the god father of the industry, I would like to know from him whether these reductions that have been announced by the Finance Minister meet the situation of the industry or if not, will he care to take it up again because the Budget is still under discussion and if on the basis of an advice, on the basis of monitoring by his industry in different sectors, I mean the decentralised sector, the organised sector, the handloom sector, the powerloom sector and other sectors, if his officers give him the report, the feedback that in spite of these fiscal measures that have been announced things are not going to change, will he inform the Members that it is possible that he will take the matter up with the Finance Minister for further rationalisation of this tax structure because this is very important? As god father of the industry, it is his job to send senior officers to the various centres of industry and find out from those sources whether the fiscal measures announced by the Finance Minister are sufficient and if some change is required, he should process it so that the Finance Bill when finally enacted will portray the feelings of the textile industry in this behalf. My next point, Mr. Vice-Chairman, is with regard to the newspaper report that I have read today that the increase in staple fibre excise duty and customs duty is not commensurate with the needs of the Industry for the simple reason that viscose is being used as a substitute for cotton blending with polyester and other fibres. On the one hand we have shortage of cotton and on the other we have the excise duty on viscose staple fibre. That will not help the industry. This may also kindly be clarified.

The next point is with regard to wool. The hon. Minister has been kind enough to exempt duty on import of wool. But that is confined only to the handloom industry. I would like the hon. Minister to take up the matter with the Finance Ministry so that the reduction in duty on the import of wool from Australia, New Zealand and other places can also be extended to the decentralised powerloom sector in Amritsar and Kashmir. Mr. Vice-Chairman, Sir I may tell you for your information that the decentralised powerloom sector in Amritsar and Kashmir has completely been outfielded because there is such a competition there. Many of them are closed and only ten per cent are running now at this moment. If the exemption of duty on wool is also extended to

[Shri Ghulam Rasool Matto]

the powerloom sector, the decentralised powerloom sector, it would help that industry very much. I can understand that the Government may not accept reduction of customs duty on wool used in fabrics like I am wearing, fabrics of OCM, Digjam, Raymonds. But there is a very huge decentralised worsted spinning sector in Ludhiana and Amritsar. At least in the case of wool imported for decentralised spinning sector decentralised powerloom sector, they should get the same exemption as is given to the handloom sector.

I would also like the hon. Minister to take up the issue of reduction of this duty for the carpet industry also. He has been good enough to use his good offices in getting some silk for our carpet industry. He should take up this issue also with the Ministry of Finance. The concession in respect of customs duty on wool should apply to other sectors also. Big factories which are composite mills may not be given that exemption. But the decentralised spinning sector, the decentralised powerloom sector, should be given this concession.

My next point is this. I happened to go to Bombay last year. This year, only last week I happened to go to Karol Bagh to the U. P. Handloom Emporium. I purchased two suits, safaris and others. It was very good cloth. Handloom material is as good and faultless as composite mill material. But there is one thing I would like to bring to your notice. That is, in Bhiwandi, the powerloom sector is in a very bad shape at the present moment. In Bombay people get them manufactured in powerloom plant. The finishing is done in Bombay and the goods are passed on as manufactured by composite mills. Similar facilities are extremely needed for the handloom industry. I would like to suggest to the hon. Minister that these units for finishing should be organized by the textile industry in those areas. I would not say, it should be done in Bombay because these are already there, but in areas, where handloom production is high in common facility centres, for purposes of finishing of handloom fabrics should be set up.

Similarly some common facility centre should be there in the south for finishing handloom fabrics manufactured in the south. This is a very great necessity and I can assure you that if the finishing of handloom cloth is done on the same basis as of the Bhiwandi cloth manufactured on powerlooms, there will be a lot of demand for the handloom cloth manufactured in these areas.

My last point is, yesterday while replying to a question, the honourable Minister stated that the order regarding compulsory use of jute fabrics was passed in May 1986 but the Fertilizer Corporation of India obtained an extension to use the HDP bags up to August 1988. It was in May 1986 that the Act was passed and the implementation started, but they got extension. Now, is it possible for them to hold stocks for 17 months or 15 months and should the Textile Ministry keep silent about it? Why could not the Textile Ministry send their inspectors to the Fertilizer Corporation and find out if some antedated order sheets were made and what the usual inventory had been of the mills of the Fertilizer Corporation of India? The honourable Minister would be good enough to the jute industry to ensure implementation of the orders in letter and spirit.

SHRI RAM NIWAS MIRDHA Mr. Vice-Chairman, I am really very thankful to the honourable Members who have taken part in this discussion arising out of the Calling-Attention Motion because it has highlighted the various aspects of the textile industry which occupies a very important place in our economic life. It is an agro-based industry; it is an employment oriented industry; it is a labour intensive industry; it employs, after agriculture, the largest number of people in our country. So it is obvious that the Government is greatly concerned, as much as the House is, as to how this industry could proceed on right lines so that the people of our country get cloth of the right

type and quality and at the right price. This is exactly the aim which was enunciated in the Textile Policy of 1985, that the consumer should get cloth of acceptable quality and at right price. It has been very heroically said that the Policy should be scrapped. Some were kind enough to say that it should be revised or that we could have a re-look at it. This policy provides a broad framework under which the Government acts. As we go along to meet the fast developing situation, administrative action is taken to implement the broad parameters which this policy enunciated. One difficulty with the textile sector is that it is a very complex sector and there are varying interests, many time conflicting interests, which should be reconciled. The broad sectors are the handloom, the powerloom and the organised mill sector, and if you go a little further up, the cotton cultivator about whom Members have spoken a lot. Even in the various speeches made by the honourable Members, very studied, very cogent and very relevant, these contradictions in the interests of the various sectors were obvious. The cotton cultivator should get a good price—it means a high price obviously. Cotton should not be exported because the price should be kept low. Another suggestion came. Yarn should not be exported because the people should get yarn at a cheaper rate. So, the problem of our policy not receiving the general or unanimous approval in the House or outside is that it is an attempt to reconcile all these various and varying and almost contradictory interests. But, Sir, if you see some of the achievements of the policy, which I have mentioned in my opening statement also, you will find that there are three or four points of view from which we can judge this or any other policy and you will see that it has not come off badly. I have given figures to show that the production of cloth has risen; I have given enough figures showing that the exports are rising; and I have given an indication to the effect that the price for the consumer is almost stable. If you see the price index of the various commodities, you will find and I also think that the least rise, almost no rise, since the policy was formulated, is in this sector. So, how can we say that the policy has failed or collapsed or that it should be scrapped or whatever it is? Very good features are there in the policy which we are trying to implement and which will see as to how we can go along.

Now, starting from the cotton producer: There was a time in our country when the production of long-staple cotton was very low and we had to import hundreds of crores of rupees' worth of long-staple cotton from the Sudan and Egypt and other places. The Government had a big and well-organised massive programme for increasing the production of long-staple cotton. New seeds were evolved. Our agricultural scientists were involved. New seeds were produced and new cultivating practices on the agricultural front were introduced by our extension workers and a marketing policy, a good marketing policy, which means assuring a minimum support price for the cultivators, was introduced. All these measures resulted in a very practical development which is akin even to the Green Revolution which we are talking about so far as cereals are concerned like wheat and rice. Today, over a period of less than ten years, over seven or eight years, we are not only self-sufficient in long-staple cotton, but also we are in a position to export cotton worth hundreds of crores of rupees. But we are not resting at that. Consumption of cotton is increasing every years and our policy is—it is mentioned in the New Textile Policy of 1985 and I repeat it—that cotton will have a pre-eminent position in our scheme of things. Cotton production, use of cotton for textiles, for handlooms, etc. will continue for long long time to come and as far as we are concerned, I have said that it will continue to have a pre-eminent position in our scheme of things. So, there should be no doubt in the minds of the honourable Members that the cotton producers or the cotton goods are sort of getting even the secondary place or the tertiary place insofar as our textile industry is concerned. We want to improve further the efficiency of cotton production. I am in touch with the Minister of Agriculture personally and we want to see that the cotton production and productivity of cotton increase in

[Shri Ram Niwas Mirdha]

various ways and we would see that we have cotton of the right type so that not only we use cotton for our own purposes, but also export and earn good foreign exchange.

Now, we want actually to modernise the whole industry. Even simple things like baling of cotton are to be improved. If you see how they are baled, you will find that it is a very primitive structure and you will see that the strands are missing, jute is missing in many places, the frills are sticking out, and the packing is of very poor quality. We want to improve baling also. We have given specifications to the Cotton Corporation of India and the standards we have laid down even for baling cotton and we have asked the Cotton Corporation of India to do this even if it is a little more expensive because we want this culture of quality to permeate the whole industry. Then, ginning is the next step. Our ginning factories are anti-quated and outmoded and no attempt has yet been made to modernise them. We have to modernise them. We talk of modernising of our mills. But where the whole thing starts, it is not organized. I will give another example. We are starting with cooperative ginning factories. These are given priority for modernisation or for new machines, so on and so forth. So, in short what I want to say is that cotton is a very important crop in our country, and cotton is the centre of our planning, whether for production or for consumption, in the textile industry.

Now, Sir, I was mentioning three sectors which the industry consists of. I will start with the hondloom sector which has a very special position. Apart from the economics of the whole thing, because it gives employment to a large number of people, millions of people, hundred lakhs of people, as I have mentioned in my statement, it has a history, it is a part of our national culture. We have a tradition going back to thousands of years of producing textiles and handlooms are a reflection of the variegated and different cultures of our country. Every area has its specialised designs, specialised finishes, specialised colours, and the flowering of our culture is reflected in the variety and the richness of our handlooms. And we want to preserve it. We want to modernise it. We want to make it efficient. We want the productivity to increase. We want them to earn more than what they were earning before. And for those who are less skilled we have the Janata scheme, Janata scheme is not compulsory. If a weaver is well skilled, he need not go to the Janata side. He has the whole other field of working. But for those who are less skilled, for those who are not as skilled as others are, there is the Janata scheme. We subsidise them. In the Budget the subsidy has increased from Rs. 2 to Rs. 2.75. It may not be enough as an hon. Member was saying. But a very good beginning has been made. We have been considering this for some time and it has been increased. It will be constantly reviewed, because we know the cost of inputs and things of that nature. The welfare of the handloom sector is very much near our heart. We are doing everything to see that it is streamlined.

Sir, we are having a census of handlooms. A very comprehensive socio-economic survey of the whole industry, every household, would be made what type of looms he uses, what is the production capacity, what type of earnings he gets, whether it is part-time or whole-time. I do not think of any other sector where the whole economy has been surveyed as well as this. And we are doing it, because we want to help him, we want to see what his difficulties are, what are the production capabilities of this sector, what are the inputs they need, what type and in what manner. And after the survey is over, we want to have a big programme of seeing as to how this sector could be helped in all possible ways.

Shri Matto mentioned about the processing a very important point. This is one of the programmes we are introducing in handlooms. In Jammu itself we have started a processing centre which will cost more than one crore of rupees or about two crores, a very modern centre, because the unit value increases if it is properly

processed. It can improve any powerloom process. And our policy is to have in various States processing plants, design centres, weavers' service centres, so that weavers' skills are improved, they are made to earn much more than what they were earning before. So, Sir, this is what we are trying to do for the handloom sector.

Now, Sir, so far as the powerloom sector is concerned, it is going to occupy a very important position in our scenario of cloth production, and we want this sector to run properly, because it contributes considerably to our total production of cloth. I can broadly say that after the textile policy the mill sector's share in the total production has slightly gone down but the share of handlooms and powerlooms has increased. It means that the policy has not helped the so called Titans as sometimes said. It is all loaded in their favour. If we are not in their favour, they would go out of business. The organised mill sector is really getting down a little, only marginally though, and the other two sectors, the handloom and powerloom sectors, are proceeding apace. This is what we want to have today.

Sir, the powerloom sector has a history in which we need not go and there are a lot of problems which we are trying to attend to. For the first time, some sort of financing is contemplated for the powerloom sector. Up till now, this sector developed in a possibly clandestine way. But they do not have any finance for establishment.

SHRI A. G. KULKARNI: With your permission, may I ask you one point? You say that the powerloom sector is being developed and producing more cloth. But out of 30,000 million metres capacity of the whole sector, the capacity at present used is 13,000 million metres. If there is any excess capacity, why don't you feed the powerloom sector also so that there is no talk of smuggling and evading? You stop that fixing of new limits.

SHRI RAM NIWAS MIRDHA: I will come to that. For powerlooms, we have suggested that they should have cooperatives. It is difficult, almost impossible, to give assistance, rebates or subsidy directly to lakhs of powerlooms. We advise them that they should from cooperatives so that we can give assistance more or less of the nature of handloom sector. They have made a good beginning in some ways. There is some difficulty about the State Governments. NABARD was also mentioned. We will look into that. I will get in touch with the Maharashtra Government.

SHRI V. GOPALSAMY: Take care of Tamil Nadu also.

SHRI RAM NIWAS MIRDHA: Tamil Nadu has a good concentration of powerlooms.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): In Maharashtra, about 50 per cent powerlooms are not functioning.

SHRI RAM NIWAS MIRDHA: The cooperatives of handloom sector are very well organised in Tamil Nadu. All the previous Governments had some hand in that. I think we will continue that tradition. We will see that the cooperatives in the handloom as well as in the powerloom sector when they come up, are given the appropriate facilities. One decision was taken in the textile policy and that is that all the powerlooms should get themselves registered. They were not registered before. Now that registration is going on apace. We are assisting the Maharashtra Government and other State Governments. The Maharashtra Government made a good start and they are now picking up. I would would request the hon. Members to help in the registration of powerlooms. After that, we will have some picture about the powerloom sector. It is not only about financing. We have powerloom service centres also which are established for modernisation or anything of that nature.

Now I will come to the mill sector which is in real difficulty and a lot of mills are closed. Why are the mills closed? There are a lot of reasons for this. Those mills which did not modernise are closed. They did not see the trend of the times. Sometimes, the mill-owners syphoned off the funds to greener pastures.

SHRI K. G. MAHESWARAPPA: Even the mills which are modernised have been closed.

SHRI RAM NIWAS MIRDHA: I will come to that. The mills which have modernised are doing well. This is one of the reasons. There are management problems. Three or four things have hit the textile industry in the organised sector and the mills are closed. Since they were not modernised for years and for decades, the textile policy envisaged a modernisation fund of 750 crores of rupees. As I mentioned, about 400 crores of rupees have been earmarked and about 150 crores of rupees have been disbursed. A point was made as to why it is low and why all the mills were not surveyed. The procedure is that we do not survey the mills. It is a request from the management to the financing institutions, what we call 'nodal agencies', saying that these are the schemes for modernisation and these are the parametres for our efficiency and we are viable. They ask for help to become modernised.

So, some of them have been declared non-viable. So, all the closed mills are not involved in this. Some of them are so bad that they did not apply. Those who have applied were properly screened. And we do not want to rush through this disbursal of this fund only because we do not want to throw up good money for bad management of the mills which cannot be made viable. After a year or so, they will come and again say, we have nothing to do. So, we are going very carefully. The financial institutions are scrutinizing the applications very carefully to see that at least out of this modernisation, they would be in a position to work well and they would not be able to close or get sick again. Then, Sir, the Textile Policy clearly envisages closure of mills, mills which cannot be made viable by any assistance will have to be closed. But the interest of the labour will have to be considered. And it still continues to be the policy and it will always be that the mills might close but the interests of the people who are working there should be protected, they should be enabled to start a new life somewhere. We should assist them in this. And for this a Rehabilitation Fund was created and that Fund said, apart from other statutory dues to which the labour was entitled under various laws of our country, the Central Government from this Fund will give them 75 per cent of their wages in the first year, 50 per cent in the second year, 25 per cent in the third year. But somehow it has not taken off, as Mr. Valiullah has correctly said. And the main reason for that is that a formal closure under the law should be declared. Somehow labour unions hesitate to ask for closure. For the same reasons possibly the State Governments do not sanction closure. We have requested them that it is not in the interest of the labour. They are closing before our very eyes. But we would not say, please close it formally so that they can get the Rehabilitation Fund. But since the difficulties are there, I would not go into them or blame any side. We are trying to liberalise this Fund so that some via media could be found that at least the problems of labourers are minimized to the extent possible. And the mills might close which we just do not mind because if they cannot be made to work, let them not work. But the labourers who will be displaced by this or who will lose employment, their interest should be evry much paramount. We will do all that we can in that respect. Recently a new law has been passed about impending sickness of industry, including textiles And BIFR, Bureau of Industrial Financial reconstruction has been specially set up with very wide powers, almost summary powers with a time-bound schedule as to how the whole reconstruction package would come up and how they will operate. And I agree that it is not going as well as it should, but we are constantly in touch with them. And it has just started. And I am sure this would also provide some relief to mills. They can get rehabilitation package which should be compulsorily implemented by all the financing and other agencies. It is a very strong law and we would see that this also helps us in a proper way. We have requested the Reserve Bank of India to relax the credit

norms—they had done it to a slight extent, but still it is not enough—so that the mills are allowed to tide over the problems about liquidity and things of that nature. But it should be very clearly understood that the Government has no intention of nationalising these sick mills or closed mills. It should be made very clear because this is no solution to a problem. If it is not viable by any amount of assistance, how will nationalisation help the mills? And nationalisation also implies diversion of national resources from the other developmental projects to running these mills. So, our policy is very clear that we will have no more nationalisation of mills in any possible way. But I would again reiterate that the closing of mills can go on but the interest of the labour would be protected to the extent that we can...

SHRI RAOOF VALIULLAH: What bout partial closure?

SHRI RAM NIWAS MIRDHA: That is ; of the suggestions that has come up t instead of closing the whole mills, why not have that. We are examining the legal implications of that and that could also help us. Well, Sir, it is the weaving section which is in problem these days. The composite mills are in trouble. Spinning mills are doing pretty well rather much better than others. In the South, for example, almost 95 per cent of the mills are just spinning mills. They are not composite mills, with no weaving. They are doing pretty well. So, weaving section because of competition from powerlooms, etc.....

SHRI CHIMANBHAI MEHTA: That is because of the very low wage in weaving.

SHRI RAM NIWAS MIRDHA: In a composite mill the wages will be the same. Why does not a composite mill...

SHRI A. G. KULKARNI: In the spinning is the standard wage decided by the Government of India?

SHRI RAM NIWAS MIRDHA: Some how the weaving section has been taken care of by the powerloom. We do not mind this trend. Good yarn of good quality should be produced by good spinning mills, to be made by handloom people, to be made by powerloom people. There is nothing wrong in this policy. But the fact remains that the composite mills are in trouble and the spinning mills are not. But in spite of this why are all the three sectors dissatisfied? They say, the powerlooms are closed, mills are closed, handlooms are not working. Well, Sir, there is some basic imbalance in the whole thing and one reason could be that there is over capacity in these sectors and because we are having much too much spinning than is necessary, much too much weaving, for example, we will have to look at these things whether liberalisation brought forth by the textile policy should proceed apace in this matter or whether we can revise the policy from that point of view and retrace our position and not create capacities which are not needed in the national interest. All these things will have to be considered. But there is something really basically wrong. The basic thing is that there is some imbalance that has come up in this. So we have to go into the root of everything and find as to what type of things we can do...

SHRI A. G. KULKARNI: Freeze for ten years. At least for ten years freeze the capacity.

SHRI RAM NIWAS MIRDHA: It is a good suggestion.

Sir, smuggling was mentioned by a number of Members though in different contexts. Here also the obvious differences among the various viewpoints in the Members are obvious. Some say that excise concessions given in this Budget ought not to be given in the synthetic and other sectors which would help mill-owners, entrepreneurs and industrialists. The other viewpoint is that we should further reduce this levy, so that the smuggling could be checked.

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SHRI V. GOPALSAMY: That lobby is very powerful.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): There is no such lobby.

SHRI V. GOPALSAMY: There is a definite lobby. (*Interruptions*).

SHRI RAM NIWAS MIRDHA: The textile policy itself says that the levies should be reduced so that consumption etc. could increase. But, at the same time, it says that the reduction in taxes etc. shoud be pased on to the consumer. And I would remind the Members that one of the statements of the Finance Minister made in his Budget Speech along with the reduction in duties was that they will see that this benefit is passed on to the consumers. The reduction in these levies is not meant for increasing the profits of these producers. It should be very clearly understood. It is not meant for increasing their profits so that they pocket this extra concession that they have got. But it has to be passed on because it is meant to benefit the consumer. And we are trying to see and devise ways how this is to be monitored. It is not easy to monitor. It is not easy to control. People do not want the type of controls, that we had before, without invoking the extreme penalties which are not necessary at present. We will try to see if we can devise any administrative measures to ensure that these concessions are passed on to the consumer.

SHRI A. G. KULKARNI: Why don't you have a working group of art silk weavers, decentralised weavers' co-operatives along with producers of this yarn and then they will monitor themselves.

SHRI RAM NIWAS MIRDHA: Instead of monitoring themselves we will monitor them. But this Budget, apart from this, apart from this concession, has given benefit to all sectors. It has very well conceived a scheme that the Finance Minister has brought out. It helps the handloom sector in various ways, which I do not want to spell out. The mill sector will benefit by this. The handloom sector will benefit by this. And the Budget is a very well conceived idea and it will ultimately benefit the consumers as well as the industry. (*Interruptions*). If you want to revise, say so. We do not want to change anything in this manner.

Along with smuggling, a lot of mention was made about exports: export of cotton, export of yarn and export of cloth. Should we do it? Why should we do it? Well, Sir, we started a long-term policy on exports sometime back, at a time when there was over-production or partial glut in the cotton situation. But the moment we saw that the prices were rising, we stopped it in mid-way and cotton export is banned since that time. It is better to export a processed thing like yarn than cotton. So, yarn we are now exporting but here again it is said that because of the export of yarn the prices of yarn for handloom sector and powerloom sector have increased. Just to give some figures, this in respect of the Telegraph report also, this year we are permitted export of 40 million kg of cotton yarn counts up to 60 and possibly 4 million kg more of other variety. This is the top limit. We produced cotton yarn to the extent of 1348 million kg., which meant 3.3 per cent of the total production was allowed for export and we wanted to continue this because again it gives us a culture of quality. If you compete in the international competitive environment, production process is increased marketing effort is increased and it induces efficiency all along, but we are not subsidising them, I mentioned. The CCS of 8 per cent on yarn as was mentioned is not a subsidy. Cash compensatory support, by very definition, means that we are just reimbursing for duties and taxes they have paid, nothing more than this. For that they have to submit a detailed breakup. If you export so much, how much duties you would have paid if compelled in domestic situation. Therefore, we are not subsidising export in that sense. We are just giving them the CCS so that the disadvantages of local taxes may not inhibit them from exporting. So this is the

situation. So, we need not bother about I do not think even this figure would be reached really because of the international situation. So, we need not bother about it any more.

Even it was objected, why have you placed cotton in advance licensing? Shri Valiullah mentioned this. We have done this because we do not want the export efforts to impinge on the local situation of cotton. We want to isolate the export sector as much as possible from the domestic situation. So, under the advance licensing scheme they can import and export and keep the mills and the machinery going, keep the industry going. I think this is a right policy and there should not be any problem with that respect.

As I said in the beginning there are a number of other schemes. For example, looking to the drought situation, for the first time we have all sorts of scheme for drought relief. Up till now there were no specific schemes for artisans and handloom weavers. We thought that these highly skilled people should not be made to work on road construction or canal constructin like other landless people are working on such projects. They should be made to work in the skills that they have and should be paid accordingly. We have made the scheme for artisans as well as for weavers by strengthening their cooperatives, by giving them certain minimum wage and certain proportion of work. I would not spell out the details now. But looking to the drought situation we have provided them the relief and I hope lakhs of people would be employed for many months under this scheme. Gujarat is already doing something in this respect in Kutch particuarly, and other areas also, I am sure, would benefit from this.

Sir, I would end by saying that textiles is a very complex industry consisting of various interests, various sectors and subsectors and our policy is to blend their interests as much as possible without undue harm to any sector, helping them to have schemes for other sectors, for the organised mill sector for modernisation. There are plenty of other schemes for powerloom sector, for handlooms. We are coming up with more and more schemes and I can assure you with all seriousness and sincerity and in the perspicacity as exhibited here that we will take the suggestions seriously and see that this industry, which is so vital for our national economy, is not only not made to suffer but also made to prosper, to cloth a nation like ours.

5.00 P.M.

SHRI CHIMANBHAI MEHTA: Just one clarification, Sir.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I think he has given a very elaborate answer.

SHRI CHIMANBHAI MEHTA: I only want to ask why Government is not prohibiting resel of seized contraband textiles because it is only a 14 crore seizure and goods are coming of hundreds of thousands of crores. So just for 14 crore, why do they not stop their resale? What has the Minister to say on this?

SHRI RAM NIWAS MIRDHA: I will pass on the suggestion to the Finance Minister who handles this.

I. Statutory Resolution Seeking Disapproval of Major Port Trusts (Amendment) Ordinance, 1983

II. THE MAJOR PORT TRUSTS (AMENDMENT) BILL, 1988.

SHRI SHANKER SINH VEGHELA (Gujarat): Sir, I move the following Resolution:

"That this House disapproves of the Major Port Trusts (Amendment) Ordinance, 1988 (No. 1 of 1988) promulgated by the President on the 28th January, 1988.

उपसभाध्यक्ष महोदय, देश का बहुत बड़ा सागर किनारा है जिस पर यह मेजर